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Japan

Akashi on Sending Peacekeepers to Balkans Area

OW1712052893 Tokyo KYODO in English 0500 GMT
17 Dec 93

[Text] New York, Dec. 16 KYODO—Yasushi Akashi, chief of the United Nations Peacekeeping Forces in the former Yugoslavia, said Thursday [16 December] he will ask the Japanese Government to send peacekeepers to the Balkans region.

Akashi told a news conference at the UN headquarters here that Japanese laws "allow" Japanese peacekeepers to join the UN Protection Forces (UNPROFOR) in the region "in such logistics fields as medical service, transportation and communications."

The UN undersecretary general cited Macedonia as well as central and northern Croatia as potential locations to which Japanese Self- Defense Forces (SDF) could send peacekeepers even under the constraints of Japanese law.

In the former Yugoslav Republic of Macedonia bordering southern Serbia, a total of 1,000 peacekeepers are now deployed to prevent the conflict in Bosnia-Hercegovina from igniting ethnic uncertainties concerning Albanian minorities. Macedonia seceded in September 1991.

The peacekeepers, deployed in border areas, check trucks to ensure compliance with the trade embargo and other economic sanctions imposed by the UN Security Council.

In northern and central Croatia, a ceasefire is in place in four regions where UNPROFOR forces are deployed and UNPROFOR headquarters are in the Croatian capital of Zagreb. But in southern Croatia, sporadic fighting still plagues the region.

Akashi told reporters, "the scope of the contributions Japan could make within the framework of the Japanese Constitution and UN peace cooperation law is greater than Japan believes."

"It is up to Japan to decide which fields (of the UNPROFOR) it would participate in," he said.

UN diplomatic sources said there would be no legal obstacles hampering Japanese participation in these areas of Croatia and Macedonia as there are no military conflicts there.

They said a dispatch of Japanese peacekeepers would not contravene Japan's "five guidelines" on participation in UN peacekeeping missions which ban the government from sending personnel to regions where no ceasefire accord is in place.

The 26,000-member UNPROFOR was set up in 1992. Its duties including escorting truck convoys of humanitarian relief supplies to starving civilians in strife-torn

Bosnia-Hercegovina. The mission has so far resulted in 59 fatalities among UNPROFOR members.

The conflict in the Balkans has reportedly killed more than 200,000 and displaced more than two million civilians.

A UN diplomatic source told KYODO NEWS SERVICE, "in Macedonia, I believe, Japan could send military officers to monitor compliance with a ceasefire on top of logistical support operations."

In Tokyo, however, Defense Agency Director General Kazuo Aichi told reporters it is "not easy" to send Japanese peacekeepers to the region.

"There is a large difference in the situation between Cambodia and the former Yugoslavia," he said. Japan sent a contingent of SDF engineers to Cambodia when Akashi was heading the UN Transitional Authority in Cambodia (UNTAC).

Kazuo Aichi Reacts 'Cautiously'

OW1712103293 Tokyo KYODO in English 1018 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—Japan reacted cautiously Friday [17 December] to a request by Yasushi Akashi, the new chief of the United Nations peacekeeping mission in the former Yugoslavia, for Japanese peacekeepers to be sent to the Balkans. Defense Agency chief Kazuo Aichi expressed caution over sending Japanese peacekeepers there, saying the situation in the former Yugoslavia is very different from that of Cambodia where Japan sent a large team of engineers from the Self-Defense Forces (SDF).

Foreign Ministry spokesman Terusuke Terada told reporters that Akashi's remarks at a press conference in New York expressed his "personal view." "We understand that Mr. Akashi voiced personal expectations of Japanese cooperation" in the UN Protection Forces (UNPROFOR) in the region, Terada said.

A top Foreign Ministry source said it is difficult for Japan to send troops to the former Yugoslavia since there is no ceasefire agreement and there are still "bullets flying about."

The source said Japan intends to continue cooperation in the field of humanitarian assistance.

Also, ministry sources said that Japan plans to send a Foreign Ministry official to serve as assistant to Akashi to support his activities.

Japan sent an assistant to Akashi when he was the head of the UN Transitional Authority in Cambodia (UNTAC), the sources said.

Akashi said in New York on Thursday he will ask the Japanese Government to send peacekeepers to the Balkans, adding that Japanese laws "allow" them to join the UNPROFOR in "such logistics fields as medical service.

transportation and communications." He cited Macedonia as well as central and northern Croatia as potential locations to which the SDF could send peacekeepers even under the constraints of Japanese laws.

"The scope of the contributions Japan could make within the framework of the Japanese Constitution and UN Peace Cooperation Law is greater than Japan believes," said Akashi, who successfully wrapped up UN peacekeeping operations in Cambodia.

"It is up to Japan to decide which fields (of the UNPROFOR) it would participate in," he said.

Japan extended in November a total of 20 million dollars for humanitarian relief operations for people afflicted by conflicts in the former Yugoslavia.

The aid included 18 million dollars to the UN High Commissioner for Refugees (UNHCR) and 2 million dollars to the International Committee of the Red Cross (ICRC).

Crown Prince Meets Jordanian Prime Minister

JN1512180993 Amman Radio Jordan Network in Arabic 1200 GMT 15 Dec 93

[Text] Prime Minister Dr. 'Abd-al-Salam al-Majali has met with His Highness the Japanese crown prince and relayed to him a written invitation from His Royal Highness Crown Prince Hasan, the regent, to visit Jordan.

The Japanese crown prince promised to make the visit next year, or in early 1995. The prime minister will meet with His Majesty Emperor Akihito tomorrow, and deliver to him a written message from His Highness Crown Prince Hasan.

During the visit, the prime minister will also meet with the Japanese prime minister and the director general of the Japanese Overseas Aid Fund.

It is to be recalled that in his capacity as a member of the United Nation's University board of directors—a position he has held since 1989, Dr. al-Majali attended meetings which began on Monday. The board is discussing Dr. al-Majali's plan for promising senior leaders. Once endorsed, Amman would be a permanent headquarters for the plan.

In a separate development, Prime Minister Dr. 'Abd-al-Salam al-Majali said that Jordan is extremely important and vital to the Middle East peace process, and that it is at the heart of this process. In statements to the Japanese television station NJK, he added: The maintenance of a healthy and strong economic and social situation in Jordan is conducive to just and comprehensive peace. He affirmed that Jordan insists on comprehensive peace, noting that all basic issues must be addressed. He indicated that Jordan has endured many successive wars in the region, the consequences of the peace process, and the impact of the Gulf war as well.

The prime minister said that the aid Jordan has received from friendly nations, such as Japan, which Jordan highly appreciates, can only make up for a negligible part of the losses it has sustained.

In an interview with the Japanese news agency, Dr. al-Majali asked that Japan extend additional aid to Jordan, particularly since Japan has a great trade surplus with Jordan, and that Japanese firms were awarded tenders totaling millions of dollars to implement projects in Jordan.

In the interview, Dr. al-Majali added that he will touch on political and cultural dimensions and Jordanian-Japanese ties during the meeting he will hold with Japanese foreign minister tomorrow.

When asked about the delay in the withdrawal of Israeli troops from Gaza and Jericho, and the impact of this development on the peace process, the prime minister said that this delay cannot be a positive sign. I understand that the peace process experiences problems and obstacles from time to time, he said, and added that he wished the Israeli side would demonstrate further flexibility to lend true credibility to the peace process. He commended the repatriation of the Palestinian deportees from Marj al-Zuhur, saying: We hope that this event will herald pleasant developments in the near future.

Jordan Requests Aid

OW1612063893 Tokyo KYODO in English 0541 GMT 16 Dec 93

[Text] Tokyo, Dec. 16 KYODO—Jordan's Prime Minister 'Abd-al-Salam al-Majali asked Japan on Thursday [16 December] to help Amman reconstruct its economy and overcome problems of debt, refugees and water supplies, Foreign Ministry officials said. Al-Majali made the call in a 30-minute meeting with Foreign Minister Tsutomu Hata, the officials said.

Hata told Al-Majali that Jordan plays a key role in the stability of the Middle East and that Japan intends to support Jordan as much as possible, they said. Hata also voiced expectations that Jordan will continue efforts in the Middle East peace process, they said.

The Jordanian prime minister, who is also minister of foreign affairs and minister of defense, arrived in Japan last Saturday. He is to stay in Japan until Saturday.

Al-Majali Activities Noted

JN1612220193 Amman Radio Jordan Network in Arabic 1600 GMT 16 Dec 93

[Text] Today, His Majesty Emperor Akihito of Japan received Prime Minister Dr. 'Abd-al-Salam al-Majali who is on a working visit to Japan. His majesty the emperor received a letter from His Highness Crown Prince Hasan, the regent. The emperor asked Dr. al-Majali to convey his special greetings to His Majesty King Husayn and His Highness Crown Prince Hasan, the

regent. The meeting was attended by Faruq al-Qasrawi, Jordan's ambassador to Japan.

Dr. al-Majali also met with Japanese Foreign Minister Tsutomu Hata at the Japanese Foreign Ministry. The two sides reviewed developments relating to the peace process in the region, especially the obstacles facing this process and means to overcome these obstacles. They also assessed bilateral relations, especially in the economic fields. The Japanese side promised to offer more aid to Jordan and to look into financing some Jordanian development projects.

Moreover, Dr. al-Majali met with Japanese Finance Minister Hirohisa Fujii. The two sides reviewed bilateral relations in the economic and financial fields. The Jordanian side presented a memorandum that includes a list of development projects with the purpose of having them financed by the Japanese Government. The Japanese side said it decided to take part in financing the energy and electricity generation sector in Jordan. It said it will look into other projects such as transportation and telecommunications.

Prime Minister Dr. 'Abd-al-Salam al-Majali also met with (Akir Nashjaki), director general of the Japanese Fund for Overseas Development. The two sides reviewed Jordan's role in the peace process and the possibility of having the Fund take part in financing development projects.

Dr. al-Majali is expected to meet with Japanese Prime Minister Morihiro Hosokawa tomorrow.

Nonlife Insurers Apply To Allow in Foreigners

OW1612075793 Tokyo KYODO in English 0705 GMT
16 Dec 93

[Text] Tokyo, Dec. 16 KYODO—An association of nonlife insurance companies applied to the Finance Ministry on Thursday [16 December] for permission to open its membership to foreign insurance operators.

The step is designed to defuse criticism that Japan's nonlife insurance market is closed to overseas firms. Takashi Onoda, president of the Marine and Fire Insurance Association of Japan, told a press conference.

Onoda said the association has received a request for freer foreign access to the Japanese market from the office of the U.S. trade representative.

If the ministry grants permission to revise the membership rules as expected, foreign nonlife insurers will be treated "completely equally" with Japanese firms in obtaining membership, possibly from spring next year, Onoda said. Foreign firms will be granted full membership if they pay the same fixed fees required of Japanese insurers, he said.

The association is prepared to create an associate membership system for those finding the full membership fees too expensive, Onoda said. Some overseas nonlife

insurers have cited the expensive membership fees as a major problem that would continue to hamper foreign entry into the Japanese market even after the membership rule is modified.

Toshiba Banned From IC Export to 27 Nations

OW1712035893 Tokyo KYODO in English 0345 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—Japan's Trade Ministry ordered Toshiba Corp. on Friday [17 December] not to export integrated circuits (ICs) to former and current communist nations for one month from December 24. The ban was imposed as a punishment because Toshiba was found to have exported then restricted items to then East Germany without approval of the trade minister, ministry officials said.

The Ministry of International Trade and Industry (MITI) notified Toshiba the same day of the penalty for breach of the Foreign Exchange and Foreign Trade Control Law. It also reprimanded trading giant Mitsui and Co., which admitted it cooperated in the illegal export by collecting bills, the officials said.

Under the restriction, Toshiba is banned for one month from exporting any integrated circuit to 27 former communist bloc countries, including China, North Korea, Russia, Poland and Vietnam, they said.

Toshiba admitted exporting 70 masks and 150 silicon wafers for 64 kilobit dynamic random access memories (drams) to East Germany from December 1986 through February 1987 without approval of the trade minister. These products were at the time regulated by the Coordinating Committee for Multilateral Export Controls (COCOM). The restrictions have since been lifted.

MITI began a fresh investigation in August and found the illegal export was carried out "systematically and intentionally," the officials said. In a previous inquiry conducted in 1987 and 1988, Toshiba made a false statement to the ministry, they said.

Executives of Toshiba and Mitsui expressed regret over the incident.

Kanichi Ito, a director of Toshiba, told a news conference it is extremely regrettable that the company had violated the law.

The company will tighten controls on exports, he said, and personnel involved, including two former managing directors, have been punished.

Tetsuji Homma, vice president of Mitsui, said the company has taken punitive action against three senior executives, including the dismissal of a department head, who has been assigned to a subsidiary.

FTC Imposes Penalties for 17 Violations

OW1712054893 Tokyo KYODO in English 0540 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—The Fair Trade Commission [FTC] imposed 2.68 billion yen in penalties in 17 cases of bid-rigging and cartels in fiscal 1992 for violations of the Antimonopoly Law, the commission said in an annual report released Friday [17 December].

The commission investigated 227 cases of alleged antimonopoly law violations and took actions against 37 cases, including 19 bid-rigging cases and 14 price cartel cases.

Hosokawa Names Yoshida to Agriculture Post

OW1712062793 Tokyo KYODO in English 0614 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—Prime Minister Morihiro Hosokawa appointed a new Parliamentary Vice Minister for Agriculture on Friday [17 December] to replace his predecessor who resigned in protest against Japan's decision to partially open the rice market. Tatsuo Yoshida, a Social Democratic Party (SDP) legislator, is the new parliamentary vice minister of agriculture, forestry and fisheries.

Maki Murasawa, also an SDP member, resigned Wednesday following a government decision to accept the General Agreement on Tariffs and Trade proposal to lift Japan's ban on rice imports.

"It is high time to reconstruct" Japan's agriculture policy, Yoshida told reporters. "A crisis provides an opportunity."

Another LDP Lower House Member Quits Party

OW1712091493 Tokyo KYODO in English 0816 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—One more House of Representatives member of the Liberal Democratic Party (LDP) quit the major opposition party on Friday [17 December], joining more than 50 other defectors who have left it since this past summer.

Takeo Nishioka, 57, former chairman of the LDP's Policy Affairs Research Council, said he has tendered his resignation letter to the party and will form a new political party with four or five other people next Tuesday at the earliest. Nishioka, a former education minister, follows three other lower house members—Shigeru Ishiba, Masamitsu Oishi and Takashi Sasagawa—who left the party on Thursday.

The four politicians defied their party's boycott to vote with the ruling coalition Wednesday to extend the Diet session for another 45 days beyond the Wednesday deadline.

The government wanted the extension to enable it to enact political reform bills, an election pledge by Prime Minister Morihiro Hosokawa. He has staked his political future on getting the bills into law.

They also voted for the four government-proposed political and electoral reform bills on November 18. The lower house passed the bills, rejecting a rival LDP reform plan.

The LDP now has 222 members in the 511-seat lower house.

Ruling Parties Divided Over Drafting of Budget

OW1712111993 Tokyo KYODO in English 1057 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—The coalition government remained divided Friday [17 December] over whether to draft the fiscal 1994 budget and left a decision on the issue to the discretion of Prime Minister Morihiro Hosokawa, political sources said. The sources said a series of top-level meetings held by the government and ruling parties failed to produce agreement on whether to draft the budget by the year-end.

They said Hosokawa was in favor of carrying over the work into next year to give top priority to pending political reforms and other key issues, including a revision of the tax system.

Social Democratic [Party of Japan] and the Democratic Socialist [Party] parties in the governing coalition strongly demanded that the government formulate the draft budget by the end of December, while Komeito called for delaying the work until early next year, they said.

Representatives of the ruling parties failed to iron out the differences, they said.

Business organizations have urged the government to compile a draft budget within this year in view of the protracted recession.

Hosokawa told an executive meeting of the Federation of Economic Organizations (Keidanren) that the government will do its best to draft the budget within this year. The sources said Hosokawa is likely to postpone a government decision on the issue scheduled for Friday.

Hosokawa, Ministers Disagree

OW1712034093 Tokyo KYODO in English 0331 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—Prime Minister Morihiro Hosokawa and other members of his cabinet on Friday [17 December] haggled over whether to draw up the fiscal 1994 budget before December 31, government officials said.

Finance Minister Hirohisa Fujii told a special meeting of cabinet ministers that the compilation of the budget for

the year beginning next April 1 might be delayed until after the end of the year, the officials said.

Foreign Minister Tsutomu Hata agreed with Fujii's view, but a few other ministers demanded that the budget by all means be compiled before the end of the year, the officials said.

Hosokawa is reported to be leaning toward delaying the work until next month.

Leaders of the government and the ruling coalition later held a meeting to discuss the schedule for the budget compilation.

Government sources indicated the Finance Ministry is unlikely to come up with its draft for the budget until after January 16, saying a Diet passage of bills on political reforms should come first.

Executives of the opposition Liberal Democratic Party (LDP), in a meeting Friday, expressed critical views on moves to delay the budget compilation until after the end of the year, party officials said.

Hosokawa, however, later told a meeting of business executives the government will do its utmost to complete a draft budget by the year-end.

Parties in the ruling coalition are engaged in negotiations on the matter, and their talks are expected to be completed by Friday evening, he said.

The prime minister was speaking at the executive session of the powerful Federation of Economic Organizations (Keidanren) at the Keidanren Hall.

Fujii Views 'Mixed Opinions'

OW1712021893 Tokyo KYODO in English 0207 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—Cabinet ministers voiced mixed opinions on formation of the fiscal 1994 budget proposal by the end of this month and left the decision to prime minister Morihiro Hosokawa who will meet with party leaders of the ruling coalition, Finance Minister Hirohisa Fujii said Friday [17 December].

"Some ministers called for early budget compilation as an economic measure, and most ministers saw the need to draw up a steady one," Fujii told reporters after the morning cabinet meeting.

Fujii quoted Hosokawa as saying that there is a point in forming the budget in "limited time," but a "full-fledged" budget has to be formed.

"There were no objections" to Hosokawa's remarks, Fujii said, suggesting the cabinet will respect the decision to be made after a meeting of leaders of the ruling coalition parties later in the morning.

Concerning the prospect of forming the budget within the year, Fujii declined to comment and asked reporters to read Hosokawa's remarks as they are.

Meanwhile, Fujii said he explained his vision on the budget at the cabinet meeting. Noting the fiscal 1994 budget will be the first annual plan to be compiled by the Hosokawa cabinet, Fujii stressed, "it must show (the cabinet's) stance both domestically and overseas."

"And it is also important for each minister to present a stance on economic measures," he noted.

Kubota Seeks Long-Term Steps in Stimulus Plan

OW1712034893 Tokyo KYODO in English 0312 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—The government's expected pump-priming package should contain not only quick fixes for the economy but long-term steps to improve the living standards of the people, Japan's top economic planner said Friday [17 December].

Economic Planning Agency (EPA) Director General Manae Kubota told a press conference that both types of measures could work together in one package.

The cabinet of Prime Minister Morihiro Hosokawa needs to implement measures to upgrade the overall livelihood of the Japanese people in line with the premier's pledge, she said. Specifically, Kubota cited the need for projects to improve the social infrastructure, housing policy to expand the supply of reasonably priced homes, and various schemes to help socially weak people like the handicapped and senior citizens.

Kubota defended the latest report by an advisory body to the premier on Japan's economic restructuring as "emphasizing the interests of the Japanese people." She was countering criticism that recommendations made by the advisory group for economic restructuring lack specifics.

Kubota said cabinet ministers are divided over whether the national budget for fiscal 1994 could be formulated by the end of December. A decision on the matter will be made at an emergency meeting of the leaders of the seven-party ruling coalition later in the morning, she said.

Hosokawa Hails Panel Report, Urges Reform

OW1712023193 Tokyo KYODO in English 0219 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—Prime Minister Morihiro Hosokawa on Friday [17 December] hailed an advisory panel's report on structural reform of the Japanese economy and vowed efforts to carry out reform to create a consumer-oriented society.

Touching on the need for economic, political and administrative reforms, the premier said in a statement that the

government will contemplate necessary measures for change based on the panel's final report.

Hosokawa issued the statement a day after the advisory group for economic restructuring submitted to the premier its final report on restructuring the Japanese economy.

Noting the economic system in Japan should be reviewed now, Hosokawa said he will do his utmost to achieve economic reform to turn Japan into an open, creative and vital society in which consumers' benefits are fully ensured.

BOJ: Money Supply Rose 1.5 Percent in Nov

*OW1612101793 Tokyo KYODO in English 0928 GMT
16 Dec 93*

[Text] Tokyo, Dec. 16 KYODO—Japan's benchmark money supply grew 1.5 percent in November from a year before, the Bank of Japan [BOJ] said in a preliminary report Thursday [16 December]. That was down from a revised 1.8 percent year-to-year expansion in October, the report said.

The most closely watched gauge of money supply measures M2—cash in circulation and time and demand deposits—plus certificates of deposit (CDs). Its outstanding balance for November averaged 506.6 trillion yen, the central bank said.

Economists at 19 financial institutions had expected, on average, 1.9 percent growth in November from a year before, with estimates ranging from 1.4 percent to 2.1 percent, KYODO NEWS SERVICE found in a survey earlier in the week.

The broader measure of liquidity, including postal savings, government bonds and investment trusts, rose 3.0 percent in November from a year before, after a preliminary 3.2 percent year-to-year gain in October.

"For the time being, low growth rates are continuing" for money supply, a Bank of Japan official said.

Sluggish lending growth by financial institutions was a prime factor in November's smaller expansion, the central bank said. Growth in time deposits and CDs slowed, it said.

Also affecting the numbers was a one-time change in payment deadlines for land and inheritance taxes, said the official, briefing reporters on the report. But he played down the decline from October's figure, noting that the report compares money supply with conditions a year before, when big declines made recent growth look greater.

Ministry Scraps Tobacco Stock Listing in 1993

*OW1712101693 Tokyo KYODO in English 0918 GMT
17 Dec 93*

[Text] Tokyo, Dec. 17 KYODO—The Ministry of Finance said Friday [17 December] it has dropped plans to list Japan Tobacco Inc. (JT) shares on the stock market in the current fiscal year, ending next March 31.

The plan is "difficult when comprehensively considering the (adverse) effects of selling and listing of a great amount of the shares held by the government on the market at the current stage," it said in a statement.

The ministry included revenues from sales of some 660,000 JT shares legally allowed in the fiscal 1993 budget, and JT applied for listing to stock exchanges on July 27 after obtaining the go-ahead in a report released June 16 by a government advisory panel.

Businesses Have 2.4 Million 'Surplus' Workers

*OW1612150293 Tokyo KYODO in English 1446 GMT
16 Dec 93*

[Text] Tokyo, Dec. 16 KYODO—Japanese businesses now have a total of 2.4 million surplus workers, and should quickly cut the jobs, a Japanese private think tank said Thursday.

Otherwise, their financial positions will deteriorate even if wages are reduced, the research arm of Sumitomo Life Insurance Co. said.

Sumitomo Life Research Institute estimated surplus employment in the manufacturing industry at 1.15 million, in wholesale and retail stores at 850,000 and in the service industry at 400,000.

Ministry Reports 2d Lowest Wage Rises on Record

*OW1712080693 Tokyo KYODO in English 0739 GMT
17 Dec 93*

[Text] Tokyo, Dec. 17 KYODO—Wages grew by a weighted average of 3.7 percent in 1993, the second-lowest rate of increase since records began in 1969, the Labor Ministry said in a preliminary survey report released Friday [17 December].

The 25th annual survey, conducted in September, showed that the weighted average pay hike in 1993 amounted to 9.711 yen at companies with 100 employees or more, falling below the 10,000 yen level for the first time since 1988. The 3.7 percent wage hike was the second-lowest after the record low of 3.6 percent in 1987, according to the survey covering 2,605 companies nationwide, of which 1,813 or 69.6 percent responded.

In 1992, employees got a weighted average pay increase of 12,939 yen, up 5.1 percent from the year before.

By industry, construction workers received the highest pay hike of 12,112 yen in 1993, followed by utility

business employees with 12,047 yen and wholesale-retail and restaurant workers with 10,265 yen, while service sector employees received the lowest pay increase of 8,418 yen.

Of the companies polled, 94.5 percent carried out or plan pay hikes during 1993, down from 98.2 percent reported in the previous survey.

In contrast, 3.9 percent answered they will not increase wages this year and 1.6 percent replied they have yet to decide, compared with 1.1 percent and 0.8 percent, respectively, in the previous survey.

As the most important factor in deciding pay hikes, 62.2 percent cited business results, compared with 50.1 percent in the previous survey.

Asked how they plan to cope with increasing personnel costs, 42.0 percent answered they will try to increase sales or develop new products, sharply down from 51.2 percent in previous survey.

In contrast, 21.7 percent said they are looking for ways to reduce costs, against 16.5 percent in last year's survey. Those planning to relocate personnel or to improve working methods came to 13.2 percent, up from 10.9 percent, and 10.6 percent said they will cut the labor force or not fill vacancies, up from 4.5 percent in the previous survey.

Labor Ministry Maps Out Plan To Create Jobs

OW1712015793 Tokyo KYODO in English 0138 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—The Labor Ministry on Friday [17 December] unveiled a program to help create some one million jobs as the economic slump puts pressure on businesses to cut the labor force. The program, submitted by Labor Minister Chikara Sakaguchi to a special cabinet meeting on employment, takes aim mainly at ensuring employment of middle-aged workers, now the target of corporate job cuts.

Among key points of the program are:

- Setting up a fund to subsidize companies that hire workers aged 45 or over from firms other than their affiliates.
- Lowering the age limit from 55 to 45 on which subsidies are paid to companies which take on older workers.
- Easing requirements for receiving government employment subsidies and raising the ceilings on such subsidies.

The Labor Ministry is looking for a budgetary appropriation of some 326 billion yen for the program under the fiscal 1994 budget, ministry officials said.

Government Decides on Product Liability Law

OW1712015993 Tokyo KYODO in English 0121 GMT
17 Dec 93

[Text] Tokyo, Dec. 17 KYODO—The government Friday [17 December] decided its consumer policy for the coming 12 months, focusing on a new product liability law, officials said. Prime Minister Morihiro Hosokawa and 16 other ministers decided on 376 items, including 37 new measures, to protect consumers.

The cabinet decision followed a consumer protection report by Hosokawa's advisory panel earlier in December.

The new consumer policy will eye early establishment of the product liability law as well as setting up ways to settle disputes out of court. The policy also calls for stepped-up efforts for collecting and distributing information about defective products.

Former Prime Minister Tanaka Dies at 75

OW1612075693 Tokyo KYODO in English 0721 GMT
16 Dec 93

[Text] Tokyo, Dec. 16 KYODO—Former Prime Minister Kakuei Tanaka, the rags-to-riches politician who normalized Japan's diplomatic relations with China, died Thursday [16 December] from pneumonia, hospital officials said. He was 75.

Tanaka, who was hospitalized with diabetes at Keio University hospital in Tokyo in October, had wielded enormous political clout as head of the largest faction of the Liberal Democratic Party (LDP) and as party kingpin.

His daughter Makiko and her husband Naoki were at his bedside when he died at around 2 P.M., sources said.

He became prime minister in 1972 and took credit for normalizing diplomatic ties with China the same year.

Tanaka resigned as prime minister, however, in late 1974 amid questions over his financial dealings, and he was arrested in 1976 in the Lockheed pay-off scandal.

Tanaka had been appealing lower court rulings which sentenced him to prison for receiving 500 million yen in bribes from the U.S. aircraft maker.

He helped put at least three senior LDP members into the premiership—Masayoshi Ohira, Zenko Suzuki and Yasuhiro Nakasone—but he lost his political clout after suffering a stroke in 1985.

Hosokawa Offers Condolences

OW1612112893 Tokyo KYODO in English 1052 GMT
16 Dec 93

[Text] Tokyo, Dec. 16 KYODO—Prime Minister Morihiro Hosokawa on Thursday [16 December] expressed his condolences over the death of former Premier

Kakuei Tanaka. Hosokawa told reporters that Tanaka accomplished "grand jobs" in spite of money-related scandals, adding that Tanaka's pluses and minuses should be considered separately.

Tanaka was arrested in 1976 on charges of accepting 500 million yen in bribes from Lockheed Corp. and was sentenced to four years in prison by lower courts. He later appealed to the supreme court.

Hosokawa, now leader of the Japan New Party, belonged to Tanaka's faction when he was a House of Councillors member of the Liberal Democratic Party (LDP) for two consecutive terms, beginning in 1971. He said Tanaka was a politician of very rare character, despite the fact that he had only graduated from elementary school.

Hosokawa later released a statement saying that Tanaka helped bring peace and stability to the world and that he helped improve the standard of living for the Japanese people. He also reopened ties between Tokyo and Beijing and worked for the development of his country, Hosokawa said in the statement.

Hosokawa's chief spokesman, Masayoshi Takemura, said he was surprised by the news of Tanaka's death.

Takemura said Tanaka was one of Japan's most "colorful" postwar politicians who will be remembered as a man who advocated rebuilding the nation.

Asked about the money politics that Tanaka allegedly pursued throughout his long career, Takemura said he thinks it stemmed in part from Japan's rise from the ashes of World War II to become a new economic power.

Former LPD kingpin and former Tanaka aide Shin Kanemaru said he had many memories about Tanaka. Kanemaru said he will not be able to make a call of condolences because he is presently being tried on a charge of income tax evasion.

North Korea

Spokesman: Resolution Depends on U.S. Attitude

SK1712050593 Pyongyang KCNA in English 0442
GMT 17 Dec 93

[Text] Pyongyang, December 17 (KCNA)—A spokesman for the DPRK Foreign Ministry answered a question put by a KCNA reporter today regarding the rumor now rife in the international community about the DPRK-U.S. contact made in New York on December 10.

He said:

A contact between the DPRK and the United States over the nuclear issue took place in New York on December 10 at the request of the U.S. side.

As is known, at an earlier contact we had advanced a new reasonable proposal which could break the present deadlock in the DPRK-USA talks.

U.S. official figures too took a positive view of it.

At the recent contact, however, the U.S. side came up with a counter proposal negating ours.

Although the U.S. side described its proposal as progressive, there is nothing new in it in actuality. The White House spokeswoman made this plain when she officially stated that "there is no change in the U.S. stand".

We showed the utmost leniency we could offer at the present stage, taking into consideration the U.S. side's expression of its readiness to accept our formula of package solution. Nevertheless, the United States stubbornly insisted on its unreasonable stand. Judging from this, we cannot but wonder if they truly intend to solve the nuclear problem, or seek to stifle our Republic on the pretext of the nuclear problem, although they say outwardly they hope for a negotiated solution of the nuclear problem.

Moreover, we cannot help doubting the United States' will for talks because they are deliberately delaying a solution of the nuclear problem by persistently raising as a precondition for the third round of the DPRK-USA talks the exchange of special envoys between the North and the South of Korea, a question which has nothing to do with the talks.

We made a dramatic offer to accept an inspection of the IAEA [International Atomic Energy Agency] necessary for the continuity of safeguards, an offer commensurate with our special position in which we temporarily suspended the effectuation of our withdrawal from the nuclear Non-Proliferation Treaty, out of our basic stand to solve the nuclear problem fundamentally through the DPRK-USA talks.

We cannot but be surprised at the fact that the United States is laying artificial obstacles again by connecting the exchange of special envoys between the North and the South, an internal affair of our nation, with the nuclear issue in a far-fetched manner at a time when the prospects of a negotiated solution of the nuclear problem are in sight.

If this resulted from a U.S. policy switchover, we will have no alternative but to seriously consider our stand toward the dialogue.

If the United States continue to resort to pressure and delaying tactics without showing concern for the progress of the dialogue, it is hard to expect an agreement on the formula of a package solution even if the third round of talks were held. Saying its counter proposal is based on an agreement with its allies, the United States threatened to bring the matter to the United Nations unless we accept it. We cannot but be on our guard against this ultimatum-like pressure of the U.S.

In case the last opportunity of a negotiated settlement of the nuclear issue should be lost because of the unreasonable act of the United States threatening our existence as today, it would be the United States that would regret this.

Clear is our position.

It entirely depends on the U.S. attitude whether the third round of talks are held and the nuclear problem is solved, or not in the future.

Radio Cites Ministry Spokesman

SK1712133393 Pyongyang Korean Central Broadcasting Network in Korean 1216 GMT 17 Dec 93

[Text] In connection with the diverse public opinion being circulated internationally regarding the issue of the DPRK-U.S. contact which was held on 10 December in New York, the spokesman of the DPRK Foreign Ministry answered as follows to the question raised by the Korean Central News Agency's reporter on 17 December:

According to the proposal by the U.S. side, a DPRK-U.S. contact was held on 10 December in New York to discuss the nuclear issue. As is known, in the contact prior to this, we had put forth a new rational proposal which can open a breakthrough in the current deadlock in the DPRK-U.S. talks. In this regard, officials of the United States had made positive assessments.

Nevertheless, in the 10 December contact, the U.S. side came forth with an alternative which denies our proposal. The U.S. side practiced magic as if its alternative was progressive, but as the spokesman of the White House officially proclaimed that there is absolutely no change in the U.S. position, in essence there is nothing new in the alternative.

Considering the fact that the U.S. side said that it will accept our package deal method, we showed the maximum generosity we can carry out at the current stage. Nevertheless, when viewing the fact that the United States is continuing to insist on such an unjust position, we cannot but doubt whether it truly wants to resolve the nuclear issue or whether it is pursuing the plot to crush [apsal] us by finding fault with the nuclear issue, even though on the surface it is saying that it wants to resolve the nuclear issue through dialogue.

Moreover, the reason that it was inevitable for us to be suspicious about the agenda of the talks by the United States is that it continued to come forth with the issue of exchanging special envoys of the North and South as a precondition for holding the three-stage talks, which has no relation to the DPRK-U.S. talks, and intentionally delayed the resolution of the nuclear issue.

We presented a momentous proposal to accept the inspection by the International Atomic Energy Agency

necessary to ensure the continuity of safeguards, a proposal commensurate with our special position of tentatively suspending the validation of the withdrawal from the Nuclear Nonproliferation Treaty, out of our basic stand to resolve the nuclear issue at source through the DPRK-U.S. talks.

We cannot but be surprised at the fact that the United States is laying artificial obstacles again by linking the exchange of special envoys between the North and the South, an internal affair of our nation, with the nuclear issue in a far-fetched manner at a time when the prospects of a negotiated solution of the nuclear issue are in sight. If this is prompted by a change in the U.S. policy, we also must prudently reconsider our position toward dialogue [urido yoksi taehwae taehan uriui ipchangul sinjunghi koryohaebogi anulsu opta].

If the United States is thus not interested in the progress of dialogue and resort continuously to the tactics of pressure and delay, even if the third round of talks is held, we can hardly expect the package solution to be agreed on there. We cannot but be on our guard, in particular, because the United States, saying that this counterproposal is agreed on with its allies, is taking an attitude of putting pressure in the manner of delivering an ultimatum, saying that if we do not accept it, it will take the issue to the United Nations.

If the United States behaves unjustly as it does, threatening our existence, thereby losing the last chance for resolving the nuclear issue through talks, it will be the United States that will regret it after all.

Our position is clear. It depends entirely on the attitude of the United States whether the third round of talks is held and the nuclear issue is resolved.

Daily: U.S. Policy May Lead to 'Grave Situation'

SK1712043193 Pyongyang KCNA in English 0422 GMT 17 Dec 93

[Text] Pyongyang, December 17 (KCNA)—NODONG SINMUN today in a commentary on the "scenario of Korean war" drawn up by the U.S. Defense Department says that the U.S. strong-arm policy may lead to a grave situation.

We are resolved and fully prepared to meet the worst situation such as "sanctions" and war, the analyst declares, and goes on:

We cannot overlook the fact that the U.S. Defense Department worked out the "scenario of Korean war" for a new military adventure at a time when the third-stage DPRK-USA talks is on the order of the day.

It is a rude and discourteous act contrary to diplomatic practice and common sense for one side of the dialogue to attempt to threaten and blackmail the other side with a sword.

The act of the U.S. military is a crude violation of the principles of the DPRK-USA joint statement and an open military threat to the dialogue partner, which casts a chill over the DPRK-USA talks.

Some quarters of the United States are trying to lead the DPRK-USA negotiations in favour of their sinister purpose from the position of strength and overwhelm us by force of arms.

The United States intends to spread a lie about an "attack" from the North in Korea and mobilize huge Armed Forces in a "second Korean war" under this pretext. A clear proof of this is that the ruling quarters of the United States are reinforcing their combat power in the Far East and continue staging large-scale military exercises in this region, while advertising the DPRK as a "regional danger".

It is a mistake to try to subjugate and stifle someone with strength.

The United States had better behave decently, with a good understanding of the dialogue partner.

Cilreco Issues Bulletin on U.S.-DPRK Talks

SK1712112693 Pyongyang KCNA in English 1019
GMT 17 Dec 93

[Text] Pyongyang, December 17 (KCNA)—The International Liaison Committee for Reunification and Peace in Korea (Cilreco) published a bulletin on December 7.

The bulletin says in an editorial that the prospect of the solution of the nuclear issue through the DPRK-U.S. talks entirely depends on the United States and urged the United States to accept the DPRK-proposed formula of package solution.

This formula is a realistic proposal of package deal that makes it possible to smoothly solve the nuclear issue on the Korean peninsula, remove the nuclear threat from the United States and create conditions for the DPRK to fulfil its obligation under the NPT [Nuclear Nonproliferation Treaty], the editorial says.

It is clear that if the United States sticks to the policy of strength against the DPRK as now, the DPRK-U.S. talks will end in failure and it will bring the situation on the Korean peninsula to an irrevocably grave phase, it warns.

The bulletin introduces talks recently held between the Cilreco and a delegation of the South Korean National Democratic Front (Hanminjon). According to the bulletin, at the talks the Cilreco agreed with Hanminjon to strengthen bonds of cooperation and solidarity in the joint struggle for reunification and peace in Korea and expressed full support to the struggle of Hanminjon and the South Korean people.

U.S.-ROK 'Aerial Joint Strike Exercise' Reported

SK1712045893 Pyongyang KCNA in English 0405
GMT 17 Dec 93

[Text] Pyongyang, December 17 (KCNA)—The U.S. imperialists held an aerial joint strike exercise against the DPRK in the skies above Yongwol, Pyongchang and Yoju, South Korea, Wednesday with the mobilization of some ten pursuit-assault planes, VTOL [vertical take-off and landing] assault planes and mid-air refuelling tankers based overseas and 150 fighter-bombers, assault planes and observation planes belonging to the U.S. Airforce in South Korea, according to military sources.

At the same time, Guam-based KC-135 tankers refuelled scores of fighter-bombers engaged in the war exercise in the sky above the sea off Kunsan, South Korea, making a long-hour flight.

Meanwhile, the South Korean puppets fired several dozen shells at areas near the Demilitarized Zone from Majon-ri, Yonchon County, and Chorwon-up and Yulli-ri, Chorwon County, South Korean Kangwon Province.

Puppets in Paju and Hwachon Counties charged toward the Military Demarcation Line, firing some 500 bullets of large-calibre machine guns and automatic rifles.

Kim Yong-sam Derided for 'Nation-Selling'

SK1712002293 Pyongyang Korean Central
Broadcasting Network in Korean 0829 GMT 15 Dec 93

[Unattributed talk: "Nation-Selling Flunkeyist's Traitorous Nature Is Exposed More Undisguisedly"]

[Text] The traitorous nature of puppet traitor Kim Yong-sam in South Korea has been more clearly exposed with each passing day.

The traitorous nature of puppet Kim Yong-sam, a nation-selling flunkeyist and a colonial stooge, was exposed through his acts of begging outside forces in an attempt to harm fellow countrymen.

Regarding the interest of outside forces as more important than national interest, the Kim Yong-sam puppet clique is unhesitatingly committing a treachery to sacrifice fellow countrymen.

Preposterously enough the Kim Yong-sam puppet clique begged for long-term stationing of foreign forces in South Korea and for implementation of their commitment for protection with a nuclear umbrella and for security. After leaving half of the nation's lands in the hands of outside forces for their military bases, the Kim Yong-sam puppet clique spends several billion dollars each year to maintain them.

The puppet traitor Kim Yong-sam, the incumbent South Korean ruler and a political prostitute, keeps silent on the nuclear weapons deployed in South Korea and Japan's nuclear armament maneuvers. However, he stressed the so-called international cooperative system

and sanctions against us, fellow countrymen, on the pretext of suspicion of nuclear development, and staged various large-scale nuclear war exercises.

As has already been reported, during his visit to the United States, the puppet traitor Kim Yong-sam asked it to exert influence, to establish an international cooperative system, and so forth on the pretext of the fictitious nuclear issue of the North, thus showing an ugly case of begging for outside forces.

Furthermore, during talks with U.S. President, traitor Kim Yong-sam solicitously asked him to pose the inspection by the International Atomic Energy Agency, mutual inspections of the North and the South, and North-South dialogue as preconditions for a solution to the North's nuclear issue. Thus, traitor Kim Yong-sam acted to put the brakes on the third round of DPRK-U.S. talks.

If he is not a nation-selling traitor who regards fellow countrymen as the enemy and outside forces as a friend, how can he dare commit such an act?

His nation-selling flunkeyist nature was also revealed by the fact that he attempted to ascertain the security cooperative system from the masters and that he begged for constant support and long-term stationing of U.S. forces to counter someone else's provocation.

The nation-selling flunkeyist nature of the South Korean fascist clique was also exposed in its disgraceful attitude toward Japan. Today all the people strongly demand that Japan apologize and compensate for crimes committed in the past by the Japanese imperialists against the Korean people. This is an issue related to our nation's dignity and is a national right that should not be conceded even to a slightest degree.

Nevertheless, the South Korean puppets, a group of traitors, talked about improvement of forward-looking relations, overcoming consciousness of sufferers, and so forth, in an attempt to gain some benefits from Japan. The puppets are scheming to annul Japan's past crimes only with remarks of the Japanese authorities that they reflected on their past.

The South Korean puppet clique said that the result of the Japanese authorities' irresponsible investigation on the issue of comfort women, whose human rights and chastity were cruelly infringed upon, is affirmative. Thus, the puppet clique is not going to assume this issue as an impending diplomatic issue. It even made disgraceful remarks that compensation for them is not necessary.

Today the Kim Yong-sam puppet clique in South Korea is making sheep's eyes at Japanese reactionary ruling quarters, instead of making efforts to oppose and check their maneuvers to become a big military power and for nuclear armament. The Japanese reactionary ruling circles are dreaming of their old dream for the great East Asia co-prosperity sphere.

The puppet traitor Kim Yong-sam, the incumbent South Korean ruler who is filled with a nation-selling flunkeyist nature to his bones, said to the Japanese prime minister that the pillar of the South Korean diplomacy is the policy of attaching importance to the United States and Japan. Then, traitor Kim Yong-sam flattered the Japanese prime minister, stating that he was the only person who made this remark among all successive South Korean presidents. Thus, he showed a disgraceful case of a traitor who begs for outside forces without knowing the sense of honor only for the sake of his own comfort and of maintaining power.

Today our people cannot repress surging indignation and hatred against ugly and senseless nation-selling treachery of the South Korean puppets.

History shows that nation-selling flunkeyists, who betrayed the nation and clung to the sleeves of outside forces, were not safe. The South Korean puppet clique should realize that its nation-selling flunkeyist act is the road leading to its own destruction, and should act with discretion.

Report Calling Kim Yong-sam 'Traitor' Cited

*SK1712042493 Pyongyang KCNA in English 0409
GMT 17 Dec 93*

[Text] Pyongyang, December 17 (KCNA)—The traitor Kim Yong-sam, touring puppet army units Tuesday, let loose a sophistry concerning the rice market opening, saying that "there is no problem because the imported rice would be processed and exported," according to a report from Seoul.

This is a ridiculous, crudest sort of trick to conceal the reactionary nature of his rice market opening and lull the strong protest of the South Korean farmers and public circles.

To find a way out, the Kim Yong-sam puppet clique resort to every conceivable ruse, contending that rice market opening would do no harm to the farmers. This is as good as administering poison to people, saying it is a tonic.

With no artifice, however, can the traitor Kim Yong-sam evade the blame for the criminal opening of the rice market which would deepen South Korea's colonial dependence.

Commentary Berates South on Human Rights Issue

*SK1712095293 Pyongyang Korean Central
Broadcasting Network in Korean 1150 GMT 14 Dec 93*

[Commentary by station commentator Chong Pong-kil: "The Due Protest Against the Infringement of Human Rights"]

[Text] According to a recent foreign news report, (Pierre Sane), secretary general of Amnesty International,

strongly denounced the South Korean puppet authorities for constantly infringing upon human rights. Pointing out that even though the so-called minister of the South Korean puppet foreign affairs asserted at the world's human right committee last year that freedom, truth, and democracy have finally won a victory in South Korea, the secretary general of Amnesty International held that reality is greatly different in South Korea.

The secretary general of Amnesty International noted that a few days after the puppet foreign minister said so, the South Korean puppet police arrested No Tae-hun, one of the famous human right activists in South Korea; threatened him; prevented him from sleeping; and questioned him for approximately 10 days. After confining him in prison for approximately four months, the South Korean puppet police released No Tae-hun in October with a stay of execution for one year. The secretary general of Amnesty International denounced the stay of execution as the prevention of the freedom of speech. This is a very righteous claim, which exposes and denounces the Kim Yong-sam fascist ring's activities of infringing upon human rights.

As everyone knows, since the Kim Yong-sam ring seized power, it has clamorously babbled about the civilian-controlled government. However, there is only fascist suppression, not civilian-controlled government, in South Korea.

The Kim Yong-sam fascist ring has maintained and further strengthened the fascist evil laws and the suppression organization, such as the National Security Law and the Agency for National Security Planning, that is, the remnants of the Fifth and Sixth Republics which were notorious for the military fascist dictatorship. Worse still, by wielding the fascist evil laws and the suppression organizations, the Kim Yong-sam fascist ring is barbarously suppressing the South Korean people's righteous struggle for independence, democracy, and reunification.

In October, the Kim Yong-sam fascist ring committed the crime of taking away the representatives of the Seoul District University Students Council who were trying to participate in the working-level talks to hold the soccer games for the Pyongyang-Seoul university students. Earlier than this, on 12 June, the Kim Yong-sam fascist ring committed the barbarous crime of mobilizing as many as 12,000 riot policemen; of mercilessly suppressing the university students belonging to the Korean Federation of University Student Councils, who staged demonstrations to participate in the talks of the North-South youth and students; and of taking away approximately 300 students.

Worse still, the rascals did not hesitate to victimize leaders of the South side's headquarters of the National Alliance of Youth and Student for the Country's Reunification, who held a telephone contact with the fellow students in the North and overseas.

The Kim Yong-sam fascist ring has barbarously suppressed the South Korean people's struggle for independence, democracy, and reunification and has mercilessly trampled underfoot South Korean workers' strike for right to existence. For example, on 20 July, by invoking emergency right which even his preceding dictators had not invoked, the Kim Yong-sam ring suppressed the Hyundai Motors' workers calling for wake hike.

The Kim Yong-sam ring's infringement on human rights reaches the highest pitch in suppressing the long-term prisoners who have refused to give up their communist ideology. Even at this time, prisoners, who have been suffered in prison shackled in fascist chains for 30 or 40 years just on charge of refusing to give up their communist ideology, are treated contemptuously. Long-term prisoners, including Kim In-so and Ham Se-hwan who have refused to give up their communist ideology, have spent a miserable old age behind the bars. They have ardently demanded that they return to the northern half of the Republic where their parents, wives, and sons and daughters live. However, the Kim Yong-sam does not repatriate them to the northern half of the republic.

Facts actually prove that South Korea is the worst barren land of human rights and the living hell of human beings. In spite of this, it is unreasonable that the South Korean puppet raved at the world human right conference that freedom, truth, and democracy have won in South Korea. For this reason, the secretary general of Amnesty International, saying that the reality in South Korea is greatly different, exposed the infringement of human rights in South Korea.

No matter how clamorously the South Korean puppets may babble about freedom and democracy, they cannot cover up the fascist color and high-handed infringement on human rights by the civilian fascist regime that takes root in the Fifth and Sixth Republics' dictatorship.

The Kim Yong-sam fascist ring should pay attention to the opinion of the world, stop fascist suppression against the people, and immediately step down from the power.

Iranian Ambassador Summoned Home 13 Dec

SK1712085293 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 13 Dec 93

[Text] Hasan Taherian, ambassador of the Islamic Republic of Iran to the DPRK, returned home on 13 December by plane upon being summoned from his country.

Officials Mourn Death of Hungarian Premier

SK1712051593 Pyongyang KCNA in English 0407 GMT 17 Dec 93

[Text] Pyongyang, December 17 (KCNA)—The Administration Council of the DPRK sent a wreath Thursday to the Hungarian Embassy here on the death of Jozsef Antall, prime minister of the Hungarian Republic.

Vice-premier and Minister of Culture and Art Chang Chol, chairman of the State External Economic Affairs Commission Yi Song-tae, Vice-Minister of Foreign Affairs Yi In-kyu, Vice-Chairman of the State Commission of Science and Technology Kim Ung-ho and other officials concerned visited the Hungarian Embassy to mourn his death.

Present on the occasion was Charge d'Affaires Ad Interim Invan Laszlo of the Hungarian Embassy.

Kim Il-song Sends Message to Gabon President

*SK1712113393 Pyongyang KCNA in English 1042
GMT 17 Dec 93*

[Text] Pyongyang, December 17 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to El Hadj Omar Bongo upon his reelection as president of the Gabonese Republic.

President Kim Il-song in the message expressed the belief that the friendly relations between the two countries will further develop and wished the Gabonese president success in his work for the prosperity of the country.

Kim Il-song Sends Message to Niger President

*SK1712113293 Pyongyang KCNA in English 1033
GMT 17 Dec 93*

[Text] Pyongyang, December 17 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings today to Niger President Mahamane Ousmane on the occasion of the 35th anniversary of the proclamation of the Republic of the Niger.

Noting that the Niger people are striving hard today to consolidate the independence of the country, promote national unity and develop the economy, President Kim Il-song expressed the belief that the friendly relations between the two countries would continue to develop.

Movements Support DPRK's 'Just Cause'

*SK1712055493 Pyongyang KCNA in English 0452
GMT 17 Dec 93*

[Text] Pyongyang, December 16 (KCNA)—This year international solidarity movements supporting the just cause of the Korean people were conducted vigorously.

Loud voices denouncing the "Team Spirit 93" joint military exercises of the U.S. imperialists and the South Korean authorities rang out from the five continents of the world in accordance with the action program adopted at an enlarged meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea which was held in Paris in January.

Various countries of the world took more than 1,100 solidarity measures in a matter of ten days since Comrade Kim Chong-il, supreme commander of the Korean People's Army, issued an order declaring a state of semi-war to the whole country, all the people and the entire Army to cope with the obtaining situation.

Heads of state, leaders of political parties and figures of broad strata of many countries sent more than 170 solidarity letters to the dear leader Comrade Kim Chong-il, supreme commander of the Korean People's Army, and more than 300 heads of state, political party leaders and high-ranking officials of different countries expressed their support for the order of the supreme commander of the Korean People's Army through Korean missions abroad.

Solidarity meetings were held, over 90 statements were published and millions of people participated in signature campaigns in Nepal, Mozambique, Burundi, Lebanon and many other countries supporting the order.

The Syrian students studying in Korea and many countries repeatedly expressed their stand that they would join in the war as volunteers if a war breaks out in Korea, and the chairman of the Executive Committee of the General Union of Students of Palestine declared that he would enter the Korean front with his union members and fight a decisive battle against the common enemy, shoulder to shoulder with the Korean youth.

Movements for supporting the statement of the government of the DPRK on its withdrawal from the nuclear Nonproliferation Treaty took place worldwide vigorously.

Over 30 political parties and organizations in the Middle and Near East region including the Syrian Communist Party held a solidarity meeting and adopted a joint statement, and more than 70 Nepalese parliamentarians published a joint statement denouncing the unreasonable "resolution" of the International Atomic Energy Agency.

Participants in the world conference for supporting the Korean people's cause for peace, security, sovereignty and reunification which took place in Portugal in May said the DPRK's "nuclear problem" was, in essence, confrontation between imperialism and socialism, and stressed defending the socialist Korea at present was a common task of the revolutionary peoples of the world.

More than 250 high-ranking figures of political and public circles of various countries including heads of state of Belarus, Cambodia, Afghanistan and Angola and leaders of over 20 political parties welcomed and supported the DPRK-USA joint statement in about one month since the joint statement was published in New York in June, and mass media of almost all countries published commentaries. Unprecedented international repercussions have been evoked on more than 4,200 occasions.

200 Political Parties Sign Pyongyang Declaration

SK1712045593 Pyongyang KCNA in English 0402
GMT 17 Dec 93

[Text] Pyongyang, December 17 (KCNA)—An increasing number of progressive political parties have signed the Pyongyang declaration "Let us defend and advance the socialist cause". The Kurd Communist Party in Turkey, the Communist Party of Guadeloupe and the Democratic Socialist Party of Jordan signed it recently, bringing their number to 200 as of December 11.

156 political parties signed the declaration by the end of last year since its adoption in April, 1992, and 44 political parties have joined them this year.

The historical Pyongyang declaration reaffirmed that socialism is the ideal of mankind and it is an irresistible law of the development of history that mankind advances toward socialism, thus positively encouraging and propelling the struggle of the revolutionary people of the world to smash the anti-socialist moves of the imperialists and reactionaries and defend and advance socialism.

Daily Seeks Implementation of Economic Strategy

SK1712045993 Pyongyang KCNA in English 0417
GMT 17 Dec 93

[“NODONG SINMUN Calls For Thoroughly Implementing Party’s Revolutionary Economic Strategy”—KCNA headline]

[Text] Pyongyang, December 17 (KCNA)—NODONG SINMUN in an editorial today calls for effecting a new upsurge in economic construction and bringing the advantages of Korean-style socialism into fuller play by thoroughly implementing the strategic policy of setting two or three years to come as a period of adjustment in socialist economic construction and directing primary efforts to agriculture, the light industry and foreign trade in this period which was set forth at the 21st plenary meeting of the 6th Central Committee of the Workers’ Party of Korea.

The validity and great significance of the revolutionary economic strategy of our party lies in that it will help radically improve the living standard of the people in next few years and thus give fuller play to the superiority of Korean-style socialism, the editorial says, and continues:

The strategic policy of socialist economic construction set forth by the plenary meeting envisages increasing state investments in agriculture, the light industry and foreign trade directly related to the livelihood of the people and forcefully stepping up the development of these sectors.

When the revolutionary economic strategy of the party is implemented, the superiority of socialism over capitalism will be eloquently demonstrated and the vitality and attraction of Korean-style socialism centred on the popular masses displayed to a higher degree.

The announcement of the revolutionary economic strategy is a clear demonstration of the wise leadership of the party and the leader indicating a bright road of economic construction with rare intelligence and penetration and guiding the people to the performance of shining exploits and innovations.

In order to carry through the party’s strategic policy of socialist economic construction, the entire party members and other working people should fully display the revolutionary spirit of self-reliance and hard struggle.

They should lift ever higher the revolutionary banner of self-reliance which has been held high traditionally from the days of the anti-Japanese revolution, deeply mindful that self-reliance is the only way of surmounting pressure and blockade of the imperialists, defending socialism and effecting an economic upsurge.

Let us bring about a great upsurge in economic construction in the spirit of chollima spurred on by the “speed of the 90s”. This is the slogan under which the Korean people should advance today. To demonstrate the might of this slogan in practice is the way of thoroughly implementing the revolutionary economic strategy of our party and powerfully displaying the heroic stamina of the Korean people.

Chongnyon-Financed Manufacturing Plant Dedicated

SK1712064893 Pyongyang Korean Central
Broadcasting Network in Korean 0900 GMT 6 Dec 93

[Excerpts] A dedication ceremony for the completion of the Patriotism Chemical (?Adhesive) Sub-plant was held there on the morning of 6 December. Respectfully present at the dedication ceremony were portraits of Comrade Kim Il-song, the great leader of our party and our people, and the dear leader Comrade Kim Chong-il. Placed at the site were slogans which read “Long live the great leader Comrade Kim Il-song” and “Long live the glorious Workers Party of Korea [WPK].” Also placed at the site were the slogans: “Let all of us rise up and speed up the general march of socialism of our own style” and “Let us accelerate making the national economy chuche-oriented, modernized, and scientific by vigorously waging the technological revolution.”

Comrade Choe Yong-nim, alternate member of the WPK Central Committee and vice-premier of the Administration Council; Kwak Pom-ki, minister of the machine-building industry; and other functionaries concerned along with employees at the plant also attended. In addition, industrialists from the General Association of Koreans Residing in Japan [Chongnyon], including

Om Sang-pom, chairman of the Board of Directors of Chongnyon Central Industrialists Union, were invited to the ceremony.

The dedication ceremony began with the chorus of the song of General Kim Il-song and the song of the dear leader Comrade Kim Chong-il.

Minister Kwak Pom-ki was the first to deliver a report at the ceremony.

[Begin recording] Today we are holding the dedication ceremony of the Patriotism Chemical (?Adhesive) Sub-Plant built with gifts of loyalty sent from Chongnyon industrialists to be used for the grandeur and prosperity of the socialist fatherland.

On 3 March of this year, receiving the report that the Chongnyon Industrialists Union would provide chemical (?adhesive) facilities which would greatly contribute to developing the fatherland's science, technology, and industries, Comrade Kim Chong-il, the dear leader of our party and people, rejoiced over it and defined the chemical (?adhesive) facilities as a gift of loyalty in accordance with the decision at the 13th Plenary Session of the sixth party Central Committee. He then gave us the special consideration of seeing to it that the plant be named the Patriotism Chemical (?Adhesive) Sub-Plant. [passage omitted]

Comrades: Despite their difficult situation overseas, patriotic Chongnyon industrialists have been making every possible effort to assist the socialist fatherland as much as possible with the high dignity and honor of being overseas citizens of the glorious DPRK fatherland. They have been sending plant facilities in various sectors, displaying a patriotic spirit while saving every penny.

Even under today's situation in which the antisocialist and anti-Republic manuevers by the enemies at home and abroad are being more viciously perpetrated than ever before, thanks to the wise leadership of the great leadership of the great leader and the dear comrade leader, our country has smashed the rascals' manuevers at every phase without faltering and is vigorously advancing holding aloft the banner of the revolution, the banner of socialism. Even under conditions under which the rascals' economic offensive has become more unscrupulous, our country is effecting a constant upsurge in socialist construction. [passage omitted]

The chemical (?adhesive) facilities that patriotic industrialists in Japan have sent this time will make great contributions to developing our country's machine industry. When we cover various types of machine tools that we are using now with chemical (?adhesive) facilities, we can lengthen their expected life span two to three times. Accordingly, the facilities will contribute to implementing our party's policy of carrying out the revolution in machine tools. [passage omitted] [end recording]

Next, Chairman Om Sang-pom delivered a speech. [passage omitted]

South Korea

President Interviewed on Cabinet, Nuclear Issue

SK1712011093 Seoul YONHAP in English 0057 GMT
17 Dec 93

[Text] Seoul, Dec. 17 (YONHAP)—President Kim Yong-sam says that he appointed Yi Hoe-chang his new prime minister to carry out his policy of reform strongly and uninterrupted with the second cabinet of his administration.

"The new cabinet will have the tasks of not only curing the Korean disease by wiping out corruption but also executing reform policies to survive in international competition by easing various regulations," Kim said Friday in an exclusive interview with YONHAP on the 13th anniversary of the news agency.

"From the new year, the administration and the ruling party will have to exercise their ability to operate the government without erring an inch," he said.

On North Korean problems, the president said North Korea thinks nuclear arms development is a means to survive, but it is actually the path of self-destruction.

"If North Korea continues to refuse to resolve the nuclear issue peacefully, South Korea cannot but participate in appropriate action by the international community, including the United Nations Security Council," Kim said.

"Our Armed Forces also have a high degree of fighting power and are maintaining a perfect defense posture."

Kim said he is confident that South Korean and U.S. Forces could together cope with any form of North Korean provocation.

Commenting on the prospects for the economy, Kim said that he expects the country to register a first trade surplus in several years this year. The economy will continue to improve in 1994 if businessmen and workers cooperate to develop competitive power and produce good products, he said.

"Our economy will get considerably better next year," he said.

With regard to the need for strengthening the administration's trade diplomacy in the wake of the Uruguay Round trade accord, Kim said his administration will try to maximize national interests through closer coordinations among ministries and agencies.

On rice market opening, he said that the administration intends to make an early introduction of projects to

restructure agriculture, measures to strengthen competitive power and reorganization of farm systems. The government will also exert efforts to train specialized manpower, he said.

Declaring that political reform is the reform that comes first and last, Kim said he will try to settle the system of clean and fair elections with thorough and complete legal backup. He was prepared to pay any sacrifice in order to firmly and completely enforce the law for clean and productive politics, he said.

The ruling Democratic Liberal Party's national convention, noted Kim, who is also president of the party, is held every two years. Since there is no pressing issue, there is no reason for the party to change the date from May.

Kim said he does not think that a drastic reorganization of the government structure is desirable for the stability of officialdom, hence he does not have any plans for redrawing the boundaries of counties, cities and provinces. If the current structure proves to be inconvenient for the citizens of a given area, a change can be made at any time, he added.

UN Secretary General on Upcoming Visit to DPRK

SK1712050093 Seoul KYONGHYANG SINMUN in Korean 17 Dec 93 p 6

[Article by reporter Pak Su-man on an interview with Butrus Butrus-Ghali, secretary general of the United Nations, by ROK reporters in New York on 15 December]

[Text] [Reporter] What is the purpose of your visit to North Korea?

[Butrus-Ghali] My visit to North Korea is for friendship purposes. The UN Security Council and UN member countries have not assigned me any mission regarding North Korea's nuclear issue. I will gather as much information as possible by listening to the opinions of the parties concerned with the nuclear issues. Thus, in case North Korea asks me to play a role, I will try to be of help to North Korea. However, this depends upon whether North Korea shows a new attitude for a peaceful solution of nuclear issues.

[Reporter] Can you detail your itinerary for the North Korea visit?

[Butrus-Ghali] I will visit North Korea on 24 December. However, details of my itinerary are not yet confirmed.

It is likely that I will stay in North Korea for two days. I am planning to return to the UN headquarters by way of Beijing or Tokyo. However this is not yet decided, either.

[Reporter] It has been learned that you sent a personal letter to North Korea through Sihanouk in May and

already attempted to assume a mediatory role in resolving nuclear issues. What is your opinion on North Korea's nuclear issue?

[Butrus-Ghali] I repeatedly said that I would not refer to the nuclear issue, because I will be visiting North Korea for friendship. If I were to give advice about North Korea's nuclear issue, however, I would suggest that negotiations over nuclear issues be continued.

[Reporter] If the ROK Government asks you to play a mediatory role regarding nuclear issues, what will you do?

[Butrus-Ghali] If the ROK Government asks me to play such a role, I should first determine whether I can carry out such a role. It seems that I may be asked to play such a role.

[Reporter] How do you appraise ROK UN activity?

[Butrus-Ghali] The United Nations is an organization operated by the UN member countries. Only when all of the UN member countries are interested in and support the United Nations can the United Nations be further strengthened. I wonder what contribution the ROK will make to the work marking the 50th anniversary of the founding of the United Nations in 1995.

[Reporter] Will you ask the ROK Government to send more troops to the UN peacekeeping operations?

[Butrus-Ghali] If UN member countries do not show positive will, we do not ask them to send more troops to the UN peacekeeping operations. (At this point, Secretary General Butrus-Ghali surprised reporters by talking as though unaware that the United Nations had asked the ROK to send engineering troops to Somalia)

Ministry To Extend Tariff Quotas on 30 Items

SK1712095393 Seoul YONHAP in English 0835 GMT 17 Dec 93

[Text] Seoul, Dec. 17 (YONHAP)—Oil, squid, corn, banana and timber are among 31 items subject to tariff quotas in the first half of 1994, and sugar, coffee, textiles, loach and fern are among 42 items subject to adjustment duty for the entire year, Finance Ministry officials said on Friday. The Ministry's six-month plan for tariff quotas will be referred to the cabinet for approval next week.

Tariff quotas on 40 items such as fertilizer raw materials and recycled filaments were to expire at the end of this month, but the ministry decided to continue 30 of them for six months and add electrodes to the list. This will increase tariff revenue to 44.4 billion won (54.8 million U.S. dollars), the officials said.

Adjustment duties on 23 items were to expire at yearend, but the Ministry decided to extend adjustment tariffs for 14 items and add eight items.

Items on which adjustment duties are levied range from bracken and towels, whose imports from China damage Korean farmers and small companies in the country, respectively, and sugar, imports of which would rise without the restriction, the officials said.

Government To Open More Procurement Markets
*SK1712001793 Seoul CHUNGANG ILBO in Korean
15 Dec 93 p 2*

[Text] It has been learned that the government agreed to open additional markets for power generating facilities, computer, and satellite procurement during the Uruguay Round negotiation on government procurement, which was finally settled on the morning of 14 December. According to the final resolution proposal revealed by the Ministry of Trade, Industry and Energy, the government, which had agreed to open our country's government procurement market in 1997, agreed to open additional markets because of the demands made by the countries participating in the negotiation.

Group To Study Ways To Elude GATT Subsidy Ban

*SK1712080593 Seoul YONHAP in English 0706 GMT
17 Dec 93*

[Text] Seoul, Dec. 17 (YONHAP)—The government will form a study group on reform of government support to industry, such as tax breaks and subsidies, as the new world trade accord bans such support.

Group members will be from government agencies, such as the Economic Planning Board, and the Finance and the Trade, Industry and Energies Ministries, and from Financial Institutions, the Trade, Industry and Energy Ministry said Friday.

The group will review current financial and taxation support by June next year to see if it violates the new General Agreement on Tariffs and Trade (GATT) ban on subsidies.

It will then develop new support systems that do not violate the trade accord, Ministry officials said.

Foreign Minister Optimistic About Future

*SK1712065093 Seoul YONHAP in English 0625 GMT
17 Dec 93*

[Text] Seoul, Dec. 17 (YONHAP)—A unified Korea will easily be one the top 10 countries of the world and link the globe in deeper interdependence, Foreign Minister Han Sung-chu said Friday. Speaking before the Seoul Forum for International Affairs, Han envisaged the changing of a curse to a blessing.

"Our geopolitical situation was often regarded as a curse in the past, because Korea, in a pluralistic, democratic and civilized world, can assume a bridging role between East Asia and North America, and between Japan and

China," he said. "Unified or combined, Korea will be among the top 10 countries in the world, a power to be reckoned with in every respect."

South Korea can make two major contributions to creating a new world order, he said, it can help resolve the question of nuclear weapons by taking a principled and consistent stand to "one, work out a comprehensive nuclear test ban treaty, two, decrease their (nuclear countries') nuclear arsenals."

And South Korea can be instrumental in creation of multilateral mechanisms in the Asia-Pacific that are essential for global integration, he said.

"...Korea can serve as the linkage leading the whole region toward deeper interdependence and through it toward global integration," he said.

Daily Details DPRK's Funding From Chochongnyon

*SK1712051693 Seoul SEOUL SINMUN in Korean
15 Dec 93 p 19*

[“Today's North Korea” column article by reporter Ku Pon-yong]

[Text] As its economic difficulties have worsened, North Korea is now facing a serious shortage of foreign exchange. As a result, North Korea reportedly urges the pro-North Korean General Association of Korean Residents in Japan [Chochongnyon] to step up assistance to the North by sending money. North Korea experts say North Korea's appointment of Former Chochongnyon Vice Chairman Kim Pyong-sik as North Korean vice president at the 11 December Supreme People's Assembly session is a step toward that end. It is speculated that he was assigned to the heavy task of maintaining this money supply channel considering the fact that preventing Chochongnyon from sending money to North Korea is being discussed as a method for economic sanctions.

If Korean businessmen in Japan or those who have returned to North Korea to reside donate a large amount of money, North Korea gives them the right to build houses or own real estate. For example, Mr. Hong, 58, was repatriated to North Korea from Japan and is now living in Anju, South Pyongan Province. He donated \$140,000 to Kim Il-song and Kim Chong-il. In return, he received a 200-pyeng [one pyong equals 3.3 square meters] hillside area and built a one-storey house.

When Korean businessmen in Japan began showing a tendency to refrain from donating money to North Korea this year, North Korea began offering various incentives to lure their money.

For example, North Korea offers naming new streets in Pyongyang and Hamhung and Mt. Kumgang mineral water and other commodities after those who donate around \$500,000. North Korea also proposes that if

donors in Japan have relatives in North Korea, those relatives are allowed to live in Pyongyang and be assigned to easy jobs and that if a person donates over \$1 million, it awards him with the Kim Il-song Order and gives him the right to open various convenience facilities in the Tumen River basin free trade zone, mining rights, or other favors.

North Korea denies that it faces a shortage of foreign exchange. However, it is a well-known fact that North Korea relies increasingly on secret funds which are secretly sent to North Korea. This is shown by the fact that Chochongnyon opened a plenary session of its Central Committee in Tokyo on 19 November and called on expanding the work of giving assistance to North Korea.

On the 40th anniversary of North Korea's so-called "victory in the war" this, Chochongnyon sent a congratulatory delegation led by First Vice Chairman Yi Chin-kyu to Pyongyang, donated Y900 million as "congratulatory money," and is now collecting Y1.53 trillion through the Association of Korean Credit Cooperatives as part of the campaign to implement Kim Il-song's 10-point program. Chochongnyon also asks its 357 regional chapters to send assistance materials to North Korea.

When Chochongnyon businessmen's positive participation in the 'donation' campaign declined, Chochongnyon named Vice Chairman Ho Chong-man as chief vice chairman early July. He had been Chochongnyon vice chairman for economic affairs since September 1986.

North Korea appointed him to the new post of chief vice chairman, despite the likelihood that this would cause conflicts with Yi Chin-kyu, first vice chairman of Chochongnyon, as this was intended to maximize Chochongnyon's efforts to assist North Korea. It was later learned that this had caused serious discord within Chochongnyon and that the opponents of Ho's emergence had worried that he might unjustifiably sell Chochongnyon's real estate and send money from the sales to North Korea.

Arms Fraud Probe Notes Possibility of Conspiracy

SK1712034493 Seoul YONHAP in English 0302 GMT
17 Dec 93

[Text] Seoul, Dec. 17 (YONHAP)—Military investigators are focusing on the possibility officials in the Defense Logistics Agency and Korea Exchange Bank connived in an arms deal fraud. Without accomplices in the agency and the bank, French arms dealer Efico could not have cheated the agency out of 6.67 million U.S. dollars using the same method three times over a period of a year and seven months, investigators said Friday.

The French firm withdrew 1.78 million dollars from the bank's Paris Branch with a forged bill of lading in May 1991 and repeated the act on two occasions in December

last year without ever having shipped a single round of the ammunition for which it was paid.

Investigators said they have not ruled out the possibility that the agency was cheated because of its lack of experience in the international arms trade. The agency entered the international arms trade in 1988 with few officials who could tell a letter of credit from a bill of lading.

Diplomats at the Korean Embassy in France have told YONHAP correspondents based in Paris that they are unable to find out if Efico is a French firm and it might be a bogus multinational firm. In Hong Kong it uses the name European Financial Co., but in France and Liechtenstein it is financial European corp. The company's office in Paris is not answering telephone calls, an official said.

Further on Appointment of New Prime Minister

Inauguration Ceremony Held

SK1712023093 Seoul YONHAP in English 0221 GMT
17 Dec 93

[Text] Seoul, Dec. 17 (YONHAP)—Prime Minister Yi Hoi-chang, declaring that "marching forward is our only choice," said after his inauguration Friday that President Kim Yong-sam's reforms cannot be interrupted.

The administration has to root out all kinds of irregularities as soon as possible and build a healthy society, Yi said at his swearing-in ceremony at the main government office building. The event was witnessed by some 300 officials of grade three and above.

"That is the fastest way to revive the nation's economy and move it toward unification," Yi said.

Government officials have responsibility to lead the people in order to fulfill the historical mission, said the prime minister, who was appointed by President Kim on Thursday.

"We have to change our way of thinking and become free of corruption through ceaseless efforts of self-reform and self-cleansing," he said. "We have to carry heavier loads than any other people."

Mistaken ideas about reform had to be corrected, Yi said, and government officials should not be afraid of reform nor try to avoid it.

The administration has also to do its utmost to heighten the status of the nation in the world community by coping with internationalization and a future-oriented world, he said.

Yi asked the officials to do their best for the national interest in the coming trade war.

"All thresholds of government buildings have to be low for the people," Yi said, figuratively urging officials to be more than accommodating in their service to the public.

"Authoritarian and bureaucratic attitudes of government officials have to disappear as soon as possible," he said.

Yi Pledges To Continue Reforms

*SK1712075893 Seoul YONHAP in English 0653 GMT
17 Dec 93*

[Text] Seoul, Dec. 17 (YONHAP)—Prime Minister Yi Hoe-chang has said that he will live up to the principle and direction of President Kim Yong-sam's reform policy. Kim's reform policy does not stand in the way of revitalizing the economy, and the two will carry equal weight in policy, Yi told the press after taking office as the second prime minister of the current administration Friday morning. The most pressing problem for the cabinet is economic reforms in connection with the conclusion of the Uruguay Round world trade talks, he said.

"But I don't mean that reforms in other areas will carry lighter weight," Yi added.

Asked whom he wanted in his cabinet, Yi said people with professional knowledge and experience and enterprising spirit so that the cabinet has the full trust of the people.

"I'll exercise my constitutional right to recommend cabinet members to the president and the announcement of a new cabinet within this week is unlikely," he said.

Yi said he would closely study a pay raise plan for civil servants in light of the fight against corruption in officialdom, calling it absurd to speak about fighting corruption without giving public servants a pay raise.

Interviewed on Economic Reform, DPRK

*SK1712141793 Seoul KBS-1 Television Network in
Korean 1200 GMT 17 Dec 93*

[Interview with newly appointed Prime Minister Yi Hoe-chang by KBS-1 Television anchor Yi Yun-song on 17 December; place not given—recorded]

[Text] [Yi Yun-song] How are you and congratulations.

[Prime Minister Yi Hoe-chang] How are you?

[Yi] The cabinet reshuffle is expected early next week because it is in gear with the National Assembly's schedule. In the motion procedure, to what extent do you think consultation with the president on personnel selection will be possible?

[Prime Minister] The motion is expected in the next week. It is difficult to concretely tell you now to what extent it will be consulted. I intend to give sufficient consideration and consultation within the boundary of the prime minister's motion right as defined in the constitution.

[Yi] There are contradicting reactions to the news of the appointment of the prime minister; some people take it as a surprise and some people have great expectations. I think it is because of the strict audit and inspection. How would you harmonize it with the Uruguay Round [UR] era's most urgent pending issues of internationalization and revitalization of the economy?

[Prime Minister] Yes. I think my position as director of the Board of Audit and Inspection [BAI], and my audit and inspection work at the BAI, and its nature gave the strict image. However, in my opinion, the reform being carried out by the government does not at all run counter to the revitalization of the economy or internationalization and opening. The reform itself has an objective to eliminate obstacles to revitalizing the economy and internationalization and opening. I would like to actively carry out the direction to help our economy by sufficiently minimizing the negative and maximizing positive aspects of the economic and social effect resulted from the settlement of the UR.

[Yi] The characteristics of the new lineup is gaining interest. What is your idea on this?

[Prime Minister] My idea is that, within the boundary of the motion right I am entitled to, it should consist of professional and positive people who can sufficiently lead the way to the internationalization and opening era, and accordingly bring forth the nation's interest.

[Yi] The revitalization of the economy is possible on the firm basis of security. The North Korean nuclear issue is still unresolved. How do you plan to establish a diplomatic and security strategy including South-North dialogue in the future?

[Prime Minister] Diplomatic and security strategy is, in short, basically our country's safety and interest. It can be said that the basic strategy is to firmly establish and maintain our country's safety and interest. Particularly, in the relations with North Korea, we have transcended the past basis of confrontation and hostility, and implemented policies on the basis of dialogue and compromise. Of course, there are basic principles and standards that we cannot make concession on. While maintaining these, I would like to resolve it through sufficient dialogue.

[Yi] Lastly, once again I would like to ask about your conviction in reform and liquidating irregularity. You have been in a position to expose and inspect. In the future, however, you will actually be in a position to embrace the target. What do you think about this?

[Prime Minister] Of course, the ideology with which and the way I carried out audit and inspection, and reform as director of the BAI should be different from those as prime minister who controls general state administration. I will make all my efforts to sufficiently form harmony in the cabinet and carry out reform and revitalization of the economy with the condensed force.

[Yi] I would like to once again extend my congratulations. Thank you.

[Prime Minister] Thank you.

Survey of Newspaper Comment

SK1712120293

[Editorial Report] ROK vernacular daily newspapers on 17 December carry editorials on President Kim Young-sam's appointment of new Prime Minister Yi Hoe-chang and on public expectations for him.

The moderate CHOSON ILBO carries on page 3 an 800-word editorial entitled "Management Capability-Oriented New Cabinet". The editorial welcomes the appointment of the new prime minister, "who is able to neutralize the veiled political conflict inside the ruling force and between the ruling and opposition forces because he is not inclined to any party or faction."

On the other hand, the editorial also warns that unlike his previous post, the Board of Audit and Inspection (BAI), harmony is more important than the sword in the position of prime minister. The editorial continues to note that "internationalization must not be interrupted or delayed by any domestic factor caused by the new prime minister and his cabinet," and hopes that the new team "will daringly overcome bureaucracy, old principles, and egoism."

The editorial stresses that the Yi cabinet should consist of management professionals rather than political specialists.

The moderate TONG-A ILBO carries on page 3 an 800-word editorial entitled "The New Prime Minister's Onerous Duty." The editorial analyzes that the appointment of the BAI director as the new prime minister predicts a strong-powered cabinet.

Noting that the new prime minister's previous duties were mainly questioning past mistakes, the editorial says: "He should form a new cabinet that supplements the economic and diplomatic capabilities by appointing personnel who could lead the people to enhance national competitiveness which is the most urgent task in the unlimited international competition after the settlement of the Uruguay Round." Thus the editorial expects the new prime minister will fulfill his first duty of forming the new cabinet with professionals.

The moderate CHUNGANG ILBO carries on page 3 an 800-word editorial entitled "Expectations for Prime Minister Yi Hoe-chang." The editorial points out three expectations for the new prime minister under the circumstance which demands maximized nation-managing ability.

First, the editorial expects that "Prime Minister Yi could frankly express his opinions to the president so that the president is not the only one who makes decisions."

Second, noting that the government had been hesitating whether or not to give priority in audit and inspection or economic drive, past or future, the editorial urges "a firm direction of government administration and to concentrate the national strength in one direction."

Third, the editorial expects the new minister "to coordinate teamwork among ministries so that the ministries do not compete in rewarding tasks and avoid heavy burdens."

The moderate HANGUK ILBO carries on page 3 an 800-word editorial entitled "Given Power and Responsibilities." The editorial analyzes the appointment of Yi Hoe-chang as prime minister as "President Kim's intention to show his will to continue the reform drive, to firmly establish public officials' spirit, and to recover the people's trust through responsible and fair administration."

The editorial stresses that the position and role of the prime minister should be changed from being a "message reader," a "front man," or a "protocol prime minister," and should be given the power to control and lead the cabinet.

The moderate KYONGHYANG SINMUN carries on page 3 an 800-word editorial entitled "Expectations and Worries for the New Prime Minister." Noting the new prime minister's reform will and confidence, the editorial expects his leadership in the cabinet and reform in state administration. However, the editorial says it is not proven whether he is suitable for enhancing the nation's international competitiveness, reforming rural structure, implementing the state administration tasks in accordance with opening and internationalism.

The editorial also expresses worry that "it requires flexibility and political power rather than strict audit and inspection to activate public officials and enhance their spirit."

The pro-government SEOUL SINMUN carries on page 3 a 600-word editorial entitled "New Choice of Reform Prime Minister." Appraising the appointment as "the right person at the right time," the editorial believes "the new prime minister will renew the state administration and lead the people to adjust to the new international order."

The editorial views the new cabinet's tasks as to unify society and public opinion, to open a breakthrough in the nuclear issue and South-North dialogue, and to continue reform in education, culture, and economy.

The left-leaning HANGYORE SINMUN carries on page 3 a 600-word editorial entitled "The Cabinet Reshuffle That Decides the Future of the Government."

While highly appraising Yi Hoe-chang's achievements as BAI director in the investigations on Yulgok, the Peace Dam, and the Agency for National Security Planning's "abuse of power" in South-North dialogue, the editorial, however, says "although not sufficiently qualified as a

prime minister in the crisis era, he is relatively expected from a government and ruling circle full of conservative and antidemocratic figures."

The editorial says it is more important how the new cabinet is formed and urges the government to select qualified, new, progressive, and moral personnel.

The MAEIL KYONGJE SINMUN, an economic daily, carries on page 3 an 800-word editorial entitled "General Cabinet Reshuffle and New Turn."

The editorial says the cabinet reshuffle comes at a right time when internally a strong reform is being carried out and externally a new international order is about to begin. The editorial says we should now have an outward view while strengthening internal unity and urges the government to select professionals who have an international sense and firm belief in the new cabinet.

President, Prime Minister Confer on Cabinet

SK1712030993 Seoul YONHAP in English 0254 GMT
17 Dec 93

[Text] Seoul, Dec. 17 (YONHAP)—President Kim Yong-sam is likely to realign his Secretariat, Cabinet and party early next week, close sources said Friday [17 December]. Kim conferred on the makeup of the cabinet with Prime Minister Yi Hoe-chang when he visited Chongwadae [presidential office] to receive his credentials of appointment.

All members of the presidential Secretariat plan to resign on Friday. Ruling Democratic Liberal Party [DLP] Chairman Kim Chong-pil and other DLP leaders are expected to follow suit as soon as the National Assembly session closes on Saturday, or at the latest by Monday morning.

The party chairman is to talk with the president on the scope of the party reshuffle on Friday afternoon.

"We know what the party has to do now that the prime minister has been changed," Chairman Kim said, hinting at a group resignation. "But we have to place priority on the National Assembly, which is near closure."

Party insiders say that even if Kim is not dismissed this time, another party reshuffle is inevitable at next year's DLP national convention. The cabinet reshuffle, expected to be extensive and initially guessed for Friday or Saturday, was postponed with the Assembly closing date in mind as well as the return from Geneva of Agriculture, Forestry and Fisheries Minister Ho Sin-haeng late Friday to report on the UR negotiations to the president on Saturday, according to the sources.

"The reshuffle will be carried out around the 20th, after all these schedules are met," one of them said.

Kim decided to add another senior secretary to his lineup to take charge of agriculture, forestry and fisheries

issues and to follow up on the Uruguay Round [UR] results and necessary farm reforms after rice market opening.

About 10 cabinet members are tapped for replacement, including Deputy Prime Minister and Economic Planning Minister Yi Kyong-sik, Ho [agriculture, forestry and fisheries minister], Kim Chol-su of trade, industry and resources, Ko Pyong-u of construction, Yi Hae-ku of home affairs, Song Chong-suk of health and social affairs, and Hwang San-song of environment.

Defense Minister Kwon Yong-hae is likely to be retained, while Deputy Prime Minister and Unification Minister Han Wan-sang is on the list for replacement but not yet decided, the source said.

Candidates for cabinet seats are said to include DLP Reps. Kang Kyong-sik, Paek Nam-chi and So Chong-won, Kia Motors Corp. Chairman Kim Son-hong, Daewoo Electronics Co. President Pae Sun-hun, and Ambassador to Washington Han Sung-su.

President To Create New Agriculture Post

SK1712030293 Seoul YONHAP in English 0258 GMT
17 Dec 93

[Text] Seoul, Dec. 17 (YONHAP)—President Kim Yong-sam is to create the position of senior presidential secretary for agricultural, forestry and fisheries affairs to advise him on measures to support the rural economy, presidential spokesman Yi Kyong-chae said on Friday.

"With conclusion of the Uruguay Round trade accord, agriculture, forestry and fishing are emerging as one of the most important industries," Yi noted. "President Kim decided to create a senior secretary for the fields to take more interest in measures to improve the structure of and support for farming and fishing villages."

The senior presidential secretary for economics is currently responsible for these three fields.

A senior secretary will be named when Kim reshuffles his secretariat and cabinet.

The president originally thought of creating a second senior secretary for economic affairs to let him to take over agriculture, forestry and fisheries affairs from the existing senior secretary for economic affairs but changed his mind to name a senior secretary to deal with this particular sector instead after the new General Agreement on Tariffs and Trade was approved.

There are currently eight senior secretaries—political affairs, governmental affairs, economic affairs, foreign affairs and national security, petitions and information, educational-social and cultural affairs, press, and administrative affairs.

New Assistant Foreign Minister Named 17 Dec
SK1712071493 Seoul YONHAP in English 0647 GMT
17 Dec 93

[Text] Seoul, Dec. 17 (YONHAP)—Choe Tong-chin, chief of protocol at the Foreign Ministry, was named assistant foreign minister for political affairs in a reshuffle Friday.

Sin Tu-pyong, ambassador-at-large for international human rights affairs, will replace Choe.

Min Hyong-ki, who served as chief of protocol during the Taejon Expo, returns to headquarters as assistant minister for planning and management.

Yi Chang-chun, research commissioner at the ministry's Institute of Foreign Affairs and National Security (IFANS), takes on the job of assistant minister for policy planning while Yi Chae-chun, minister to the South Korean Embassy in Tokyo, returns to Seoul as IFANS dean for research.

Yi Ryang, dispatched to the Taejon Expo, is the new director-general of the Middle East and African Affairs Bureau.

Ham Myong-chol, a minister to the South Korean mission to the United Nations, returns as director-general for international organizations.

Choe Yong-chin, senior coordinator for policy planning, changes seats to director-general for international economic affairs and his predecessor, Cho Won-il, goes to the United Nations as a minister.

Deputy chief of protocol Kim Sung-yong moves to director-general for overseas residents and consular affairs.

New Assistant Minister Choe, a native of Kyonggi Province, is a graduate of Seoul National University. He joined the ministry in 1960.

His major posts include director-general of Asian affairs, minister to London and ambassador to Kenya and Sweden.

He served as chief of protocol for less than 10 months, but arranged 18 summits during the short period.

Min Hyong-ki comes from South Cholla Province. A graduate of Korea University, he joined the ministry in 1963. He was minister to Iran, director-general of European affairs, and Ambassador to Ireland.

Yi Chang-chun, of South Kyongsang Province, became a diplomat in 1966 after graduating from Seoul National University. His posts include director-general for international organizations and treaties and ambassador to Singapore and Austria.

Sin Tu-pyong, a former Ambassador to Yugoslavia, studied political science and diplomacy at Yonsei University. The Seoul native entered service in 1961 and

served as minister to Indonesia, and director-general of the Information and Cultural Affairs and the American Affairs Bureaus.

Yi Chae-chun started diplomatic service in 1968 after finishing a law degree at Seoul National University. He served long in the Asian bureau, specializing in Japan, while he served as first secretary and counsellor to Tokyo and also at home as director, deputy director-general and director-general of Asian Affairs Bureau. He was ambassador to Bangladesh before returning to Japan as minister in 1991.

New BAI Chairman Pledges To Fight Corruption
SK1712080693 Seoul YONHAP in English 0730 GMT
17 Dec 93

[Text] Seoul, Dec. 17 (YONHAP)—Yi Si-yun, new chairman of the Board of Audit and Inspection (BAI), pledged Friday to try and maintain the independence of the BAI and continue investigation of corruption that does not allow sanctuary. Yi, who was named BAI chairman Thursday by President Kim Yong-sam, made the pledge at his inaugural ceremony Friday morning.

"The independent character of the BAI is basic to the performance of auditing and inspection," Yi said. He urged BAI officials to carry out their duty wherever their work leads, without giving any exception or sanctuary.

Yi cautioned the officials, however, not to put too much emphasis on investigation of past corruption and irregularities lest it should block the nation's march toward the future. The BAI's task has to be progress-oriented work, he said.

Poll Shows Public Lacks Faith in Politicians

SK1612071593 Seoul YONHAP in English 0656 GMT
16 Dec 93

[Text] Seoul, Dec. 16 (YONHAP)—Most people have extreme doubt about the ability of politicians to cope with rice market opening under the new world free trade order.

In a telephone poll Dec. 10-12 by Intel Research of 500 men and women in Seoul, 45.1 percent said there was no political leader who they felt could cope with rice market opening.

While 26.3 percent said that farm interest groups and civic organizations could best tackle the problem, 14.8 percent trusted the government and its Democratic Liberal Party [DLP] and 5.1 percent named the Democratic Party [DP] and other opposition parties.

Of the most disillusioned, 40 percent are in their 20s, 32 percent in their 30s, 19.3 percent in their 40s, and 8.3 percent in their 50s or more.

Implementation of the real-name financial system was picked as the best accomplishment of the nearly year-old

administration (39.9 percent), followed by the anti-corruption drive against public servants (25.1 percent), reforms in the military (7.5 percent), and liquidation of past wrongdoings (3.8 percent).

What policymakers most need to correct is their political immaturity (33.2 percent), partisanship (31.4 percent), and acceptance of slush fund (12.5 percent).

Future tasks were given as economic recovery and stability (41.7 percent), measures to counter market opening (17.8 percent), continuity of the anti-corruption drive (12.3 percent), and education reform (11.5 percent).

In politics, 33.2 percent saw the need for a reform-minded party while 31.4 percent opposed an artificial reshaping although they were dissatisfied with current two-party system. Another 12.5 percent want a new

opposition party with economic expertise, and 11.3 percent said they are perfectly happy with the DLP-DP system.

Top pick for next president is Rep. Pak Chan-chong, leader of the New Political Party (17.2 percent), followed by retired DP leader Kim Tae-chung (12.9 percent), Yi Chong-chan, leader of the New Korea Party (1.4 percent), and Rep. Yi Pu-yong of the DP (1.2 percent), but a majority said they had no one in mind at the moment.

Pak is favored by those in their 20s (51.7 percent), while 25.3 percent of his supporters are in their 30s, 18.5 percent in their 40s, and 12.3 percent in their 50s and above.

For Kim, 38.5 percent are in their 20s, 30.8 percent in their 30s, 18.5 percent in their 40s, and 12.3 percent in their 50s and above.

Burma**Khin Nyunt Receives U.S. Congress Delegates**

BK1712105793 Rangoon Radio Burma in Burmese 1330 GMT 16 Dec 93

[Text] Lt. Gen. Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, received the visiting U.S. congressmen—Jack N. Fields, Ralph M. Hall, Paul E. Gillmor, and Michael G. Oxley—at the Ministry of Defense's Dagon House in Yangon [Rangoon] at 1300 today. Also present at the meeting were Foreign Minister U Ohn Gyaw; Protocol Department Director General U Aung Htet; and Lt. Gen. Khin Maung Thein, from the Defense Ministry.

Soldiers Said Killed in Clash With Khun Sa

BK1412151793 Bangkok Army Television Channel 5 in Thai 1200 GMT 14 Dec 93

[Text] According to a report from Mae Hong Son Province, heavy fighting broke out yesterday between Burmese forces and forces of the MTA [Muang Tai Army], or the Shan ethnic minority rebels under Khun Sa, whose camps are straddling the Thai-Burmese border at places such as Ban Tu and Ban Tha, opposite Chiang Mai's Wiang Nga Subdistrict. The report said about ten thousand Burmese troops stormed the camps of Khun Sa's soldiers at Ban Nam Kat and Ban Khai Luang, which are inside the Burmese border, opposite Bang Mapha Subdistrict of Mae Hong Son. The area is under influence of Khun Sa.

According to the report, Khun Sa's men are recruiting youths among the villagers to join the resistance forces fighting against the Burmese soldiers. Meanwhile, the aged, women, and children have fled across the Thai border. Most of them are members of the Lisu hilltribe, and they are taking refuge at the Thai Army rangers checkpoint at Ban Mailan border pass, in Bang Mapha Subdistrict, inside Thailand. Some of them are taking shelter at Ban Pang Baek, in Mae Nang Toeng Subdistrict, Pai District, Mae Hong Son Province. The report also said about 600 Burmese soldiers crossed the Salween River and clashed with the forces of Khun Sa. It said about 100 Burmese soldiers were killed, while Khun Sa's side had 25 killed.

Rangoon Troops 'Overrun' Khun Sa Army in Battle

BK1612013593 Bangkok BANGKOK POST in English 16 Dec 93 p 8

[Text] Mae Hong Son—HEAVY fighting is continuing between Burmese troops and the forces of opium warlord Khun Sa along the Salween River, some 30 kilometres from Pang Mapha Sub-district of this northernmost province.

Acting assistant district officer of Pang Mapha, Narongsak Sangthong, said Rangoon troops with support from the Red Wa group had overrun part of the private army of Khun Sa at Ban Muang Chot.

The Burmese troops are expected to soon attack the bulk of Khun Sa's army in an area opposite Wiang Haeng District.

The fighting has pushed hundreds of Lisu hilltribes people living in areas under Khun Sa's influence across the border into Thailand, at Ban Mae Mu Lisor, Ban Nam Bo Saplae, Ban Khet Samsip of Tambon Somphong, Ban Ya Patan of Tambon Pang Mapha, Ban Pangphaek in Pai District.

Thai authorities have so far rounded up 116 Burmese refugees, mostly women and children and detained them at Ban Pang Mapha School, located some 22 kilometres from the Thai-Burmese border.

Phisan Pongphanasit, the village headman of Ban Rai said no government agency had provided assistance to the Burmese civilians seeking refuge here.

He said he had to borrow food supplies from the village's cooperative to feed the Burmese refugees as he could not stand to see hungry children cry for food.

Mrs Ar-sama, one of Burmese refugees, said she walked for two days to reach the border after hearing heavy gun fire close to her village.

She said the village headmen ordered the elderly, women and children to leave the villages. Young men and women were told to stay behind to look after their homes and properties.

She said some 300 Shan minorities also gathered at Ban Phikat, near the Thai border while another group of Chinese Haws was headed for Ban Piang Luang, opposite Wiang Haeng District of Chiang Mai.

Pang Mapha district police chief, Pol Lt-Col Watcharin Luengsanit, said this was the first time in recent memory that SLORC [State Law and Order Restoration Council] troops had attacked Khun Sa's forces because it had been visa-versa.

He said he believed that the SLORC had received funding from foreign sources to eradicate private army and drug operations of Khun Sa.

He added that Thai authorities would force refugees to return to Burma after the fighting is finished.

Mae Hong Son superintendent, Pol Col Prasong Yenbamrung ordered police to monitor the situation along the border and immediately report any escalation in the fighting.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Opposes Use of APEC To Balance EC
*BK1612120193 Kuala Lumpur NEW STRAITS TIMES
in English 15 Dec 93 p 6*

[By Zainon Ahmad]

[Excerpt] New Delhi, Tues. [14 December]—Malaysia refuses to be part of a move by the United States to use the Asia Pacific Economic Forum (APEC) to balance the European Community (EC), said Prime Minister Datuk Sri Dr. Mahathir Mohamed today.

He said this was one reason why he did not attend the informal meeting of APEC heads in Seattle last month. Malaysia was a developing country and it had market access to a number of EC countries.

"APEC is meant to be a loose forum and is never intended to be used to balance anybody. Because the United States wants to use it to balance the EC, we cannot be part of that act," he said in response to a question from an Indian businessman during a dialogue with members of the Confederation of Indian Industry (CII).

During the Seattle meeting, senior U.S. officials had indicated that the United States would look to APEC as a means to attain some of its goals to open the markets in Europe.

The United States and the EC have had disagreements on trade and agriculture subsidies and even in the services which had threatened to derail the world trade negotiations.

With Asian members of APEC recording the fastest growth rates and taking up much of the U.S. exports, the EC was told that there was an alternative for the United States in Asia in terms of its economic relations.

Dr. Mahathir said: "So our relations with APEC is not so good. We hope they will come back to the original aim."

A number of Asian countries had voiced during the meeting their preference for APEC to return to its original format.

"When we joined, we were assured that it would not be a formal grouping and that it would merely be a consultative forum which was action and programme oriented to help the less developed countries catch up with the developed countries within the group," he said.

"But then gradually there was insistence that it had to have a structure within a secretariat and the fear in ASEAN, formed by small countries to have a say in international relations, was that its voice would soon be drowned out."

He said this was what had happened in Seattle, a meeting called by U.S. President Bill Clinton after his meeting with the Group of Seven (G-7) in Tokyo without consulting the other APEC members.

"That in itself indicates a dominant role for the U.S. president in APEC," he added. [passage omitted]

Bilateral Economic Potential With India Viewed

BK1512111993 Kuala Lumpur Voice of Malaysia in English 0800 GMT 15 Dec 93

[Station commentary]

[Text] The signing of several trade agreements between Malaysia and India in New Delhi yesterday has set the stage for enhanced two-way economic linkages. Bilateral trade stood at an impressive U.S.\$388 million in January-August this year. However, there still remains many areas of cooperation whose economic potential has yet to be tapped. Both governments have in place the right mechanisms and have fostered stable and strong relations.

Against such a backdrop, the role now belongs to the respective private sectors to exploit available business opportunities. Malaysian and Indian entrepreneurs must not let this opportunity slip by. New avenues and areas of trade must be opened up. Besides this, the crossflow of investment will provide a much-needed anchor to enhance economic ties. Both parties have gained considerable experience in joint ventures in manufacturing activities. India has the capability to try partnerships here in making industrial and machinery parts—especially in tools and related engineering components. Unfortunately, both private sectors overlooked the opportunities as they were preoccupied with traditional partners which were mostly developed nations.

As Prime Minister Datuk Sri Dr Mahathir Mohamed, who is visiting New Delhi, currently pointed out, there are many Indian industrialists who can participate in a wide range of industrial ventures in Malaysia. India's strength in engineering base, ancillary, and supporting industries could fit in well with Malaysia's plan.

Malaysian businessmen, too, must take stock of liberalization measures being undertaken in India. They must start planning for greater involvement in economic opportunities arising from such liberalization. India is projected to be the next fast growth center after China. Its potentially huge consumer and industrial market is something that should not be ignored. One of the companies which has signed the joint venture deals is Telekom Malaysia. The large Indian population will offer the company a vast market potential. The time is ripe for other companies to follow suit. Boosting (?reverse) investment would be in order. With Malaysia itself relatively no longer a low-cost investment destination, local entrepreneurs need to relocate labor-intensive industries to India. The Indian Government should be lauded for taking courageous steps to open up various

sectors of the domestic economy. Liberal reforms have made the Indian market more transparent and promotes competition.

There is now greater convertibility for the Indian rupee. Locals can offer their expertise in the development of export processing zones, hotel and resort construction, telecommunications services, banking, as well as plantation management.

With the new deals, Malaysia-India economic cooperation is poised to increase substantially. It will forge to enhance South-South cooperation. If these opportunities are fully exploited, it would help place both countries in the forefront of the international economic arena.

Singapore

Deputy Premier on 'Success' of GATT Talks

BK1512120093 Singapore Singapore Broadcasting Corporation in English 1100 GMT 15 Dec 93

[Text] Commenting on the [GATT] talks, Deputy Prime Minister Lee Hsien Loong said the success of the GATT negotiations will be a relief for Singapore. Brigadier General Lee said (?there) would also be a general relief if the talks—upon which much has depended—could be completed as scheduled today. Gen. Lee was speaking at the opening of an exhibition on maritime safety at the National Museum this morning.

Cambodia's Hun Sen Calls on Goh Chok Tong

BK1612115493 Singapore Singapore Broadcasting Corporation in English 1100 GMT 16 Dec 93

[Text] Cambodian Second Prime Minister Hun Sen called on the prime minister at the Istana [palace] this afternoon. Mr. Hun Sen is in Singapore on a five-day visit to promote economic relations and to exchange views with Singapore leaders. Mr. Hun Sen's visit follows that of the Cambodian first prime minister, Prince Norodom Ranariddh, who came last August.

16 Dec Meeting Detailed

BK1612144593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 16 Dec 93

[Text] A Royal Government of Cambodia [RGC] delegation headed by His Excellency [H.E.] Hun Sen, second prime minister of the RGC, paid a courtesy call to the Singaporean Government Palace at 1500 on 16 December and held talks with a Singaporean Government delegation headed by H.E. Prime Minister Goh Chok Tong. Attending the talks on the Singaporean side were H.E. Foreign Minister Wong Kan Seng; H.E. Woh Chee Wee, minister of state for industry and labor; H.E. (No Wang Lim), deputy secretary of state in the Ministry of Communications; H.E. See Tek Ho, deputy secretary of state for Southeast Asia in the Ministry of Foreign Affairs; H.E. Jim Leong, executive director of the Port

Authority of Singapore; and a number of other officials. On the RGC side were H.E. Sok An, co-minister in the Council of Ministers' Office; H.E. Veng Sereivut, co-minister in the Council of Ministers' Office and state secretary for tourism; H.E. Uch Kim-an, state secretary for foreign affairs and international cooperation; H.E. Mam Sophanna and H.E. Khvan Peouleng, advisers to his excellency the second prime minister; and a number of other officials.

H.E. Prime Minister Goh Chok Tong said he had a keen interest in Cambodia and was glad to continue discussions with the RGC delegation. He expressed his high appreciation for the RGC's excellent work and progress. He said that although the RGC is facing the Khmer Rouge problem—which must be urgently resolved—he hopes that the RGC will do its best to strengthen and expand peace and political stability in the country. This constitutes the most important precondition for national rehabilitation and development.

H.E. Second Prime Minister Hun Sen said it is true that the RGC must exert its utmost effort in that direction, because without peace there can be no development, and without development the country cannot have lasting peace and stability. It is in this context that the RGC put forth its political platform and is working to implement it under the enlightened leadership of His Majesty Norodom Sihanouk, king of Cambodia.

During the talks, the two heads of government expressed a keen interest in developing cooperation in a number of sectors; for example, by training Cambodian officials and specialists and encouraging major Singaporean traders and investors to enhance relations with and increase investment in the Kingdom of Cambodia. On this point, H.E. Goh Chok Tong said that Cambodia should consider the competition it faces from a few other countries that, like Cambodia, need to attract investors to cooperate in the construction of such infrastructure projects as airports and seaports.

H.E. Second Prime Minister Hun Sen—on behalf of the RGC and in the name of Prince Krompreah Norodom Ranariddh, first prime minister of the RGC—invited Prime Minister Goh Chok Tong to visit the Kingdom of Cambodia. H.E. Goh Chok Tong accepted the invitation with pleasure and said that he will visit the Kingdom of Cambodia at an appropriate time.

The talks proceeded and concluded in a joyous and fruitful atmosphere.

At 2000 on the same day, H.E. Prime Minister Goh Chok Tong hosted a solemn dinner in honor of the RGC delegation headed by H.E. Second Prime Minister Hun Sen.

Cambodia

Ranariddh Offers To Meet With Khieu Samphan

BK1612124593 Hong Kong AFP in English 1238 GMT 16 Dec 93

[Text] Phnom Penh, Dec 16 (AFP)—Cambodian Co-Premier Prince Norodom Ranariddh said Thursday he was prepared to meet with Khieu Samphan, nominal leader of the radical Khmer Rouge, at a former royalist stronghold in northwest Cambodia.

The prince would not divulge a date for the meeting but said he was "very optimistic" it would be fruitful.

Prince Ranariddh flies to Bangkok on Friday and then on to Beijing on Sunday to meet with his father, King Norodom Sihanouk, who is hospitalised in the Chinese capital undergoing treatment for cancer.

Ranariddh dismissed earlier reports that he would meet with Khieu Samphan in Bangkok and also said a meeting in Beijing was out of the question, but said the talks could take place "very soon."

Prince Ranariddh was optimistic that the talks would go ahead as it would be "very, very easy" for Khieu Samphan to attend—the Khmer Rouge have bases along the border in the northwest—and the guerrilla faction's leader recently informed the prince that he would meet him "anytime, anywhere."

"I know you are interested to fight the Khmer Rouge but I think it is necessary to solve this problem the other way," Prince Ranariddh told an agricultural meeting where he was speaking, emphasizing that the emphasis was now on negotiations, not on military confrontation with the radical faction.

"Weapons can never solve this problem," he said.

He said a recent letter he received from Khieu Samphan indicated a cooperative attitude, and was "not aggressive."

Khmer Rouge: U.S. Aid To Destroy Nation

BK1712031593 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 16 Dec 93

[Station commentary: "What Is the Purpose of the United States' \$50 Million in Aid?"]

[Text] The United States has reportedly promised to provide \$50 million in aid to the two-headed government this year. However, the United States has set a condition saying that the aid can be scrapped if Democratic Kampuchea is allowed to join a national reconciliation government. So what is the purpose of the U.S. aid to the two-headed government? In what situation will the aid be given? Is the aid aimed at democratically building Cambodia or fostering a war to destroy peace and the Cambodian nation and people?

The general public [word indistinct] is well aware that the United States, like the communist Vietnamese, is opposing Cambodian national reconciliation. The United States' Winston Lord clearly accounted for this matter in Phnom Penh, saying: I will not give you the money if you continue to fight, if Cambodians are reconciled, or if Cambodia regains peace.

What is the opinion of those with Cambodian blood about the aggressively insolent remarks by the United States? Will they kneel down to receive the U.S. money, which is stained with the blood of the Cambodian nation and people? The Cambodian nation and people never want this kind of aid, because in the past they have been its victim several times. What was the ruin caused by the U.S. aid to the Cambodian nation and people between 1970 and 1975?

In 1970 and 1971, the United States spent \$700 million each year to buy its puppets off to do away with the Cambodian nation and people. Afterward, it paid them \$600 million, \$500 million, or \$400 million each year. Along with this, the United States also spent billions of dollars on aircraft and million tonnes of all kinds of bombs with the intention of smashing the Cambodian nation and people into pieces. Even so, could the United States and its puppets destroy the Cambodian people?

The United States should bear in mind that the Cambodian people can never forget this historical event. The people say Cambodians have four limbs, so they are fully able to rebuild the economy and their living conditions, providing that peace is restored and foreign invasions and war are stopped.

Now, the United States again uses money to hoodwink the two-headed, three-eyed government. The Cambodian people are unambiguously aware that the money is to be used to eradicate the Cambodian nation and people and hamper the Cambodian national reconciliation process. Somehow, the people are certain that the \$50 million can never remedy the extensive deterioration suffered by the Vietnamese communist puppets. UNTAC [UN Transitional Authority in Cambodia] spent \$2 billion, but it achieved nothing. Eventually, the money will be pocketed by warlords and the Vietnamese communist chieftains controlling 99 percent state power in Phnom Penh and 100 percent in provinces. Therefore, this kind of money will trigger more vigorous conflicts within the nation and society and more fighting within the two-headed, three-eyed government. The money will become an increasingly tight noose around their necks; the Cambodian people are waiting to pull the other end of the lasso, then tie it to a tree to prevent those persons from walking over other people.

Philippines

Ramos Hails Conclusion of GATT Uruguay Round

BK1712081393 Quezon City Radio Filipinas in English 0230 GMT 17 Dec 93

[Text] President Ramos hailed the successful conclusion of the Uruguay round of multi-lateral trade talks saying

it augurs well for the Philippines' economic future. The Philippines has expected to benefit from the liberalized market access for industrial goods, agricultural products, and services once the agreement takes effect beginning 1 January 1995, the president said.

Philippine Ambassador to the EC [European Community] Lilia Bautista reported to the president that the country will receive concessions to the form of average tariff tax ranging from 22 percent to 30 percent for the European union, up to 45 percent for Japan and 51 percent for New Zealand.

Philippine agricultural export such as bananas, mangoes and pineapples caught the gain significantly as to number of our trading partners have even offered duty free treatment for such products, Bautista said. She added that the decision of Japan and South Korea to lift their import bans on rice opens a new market for the Philippines.

The Philippines for its part offered to buy in tariff levels had ceiling rates or at 1995 [words indistinct] for some 65 percent of all listed products. A reduction in applied tariffs and, if at all, would be minimal and face over 10 years, Bautista said. President Ramos said that with the conclusion of the Uruguay round of the General Agreement on Tariffs and Trades, subsidies given by other governments to their farming communities will be reduced, he said, this means that the country's products will become cheaper particularly in Europe. Termination of substantive restrictions will open more markets for our agricultural products but we have to work hard to become even more competitive he said.

NEDA Lists 414 'Critical' Projects for 1994

BK1612111593 Manila BUSINESS WORLD in English 14 Dec 93 pp 1, 5

[By Ramoncito P. De La Cruz]

[Text] A total of 414 locally financed and foreign-assisted projects worth an aggregate P59.771 billion [Philippine pesos] has been tentatively prioritized to form part of the 1994 Core Public Investments Program (CPIP).

In a memorandum to the Cabinet-level Investments Coordinating Council, the National Economic and Development Authority (NEDA) said these projects are "critical" and should be "spared from across-the-board cuts in the event of adverse cash and revenue positions ... (these projects are) consistent with the Medium-Term Philippine Development Plan (MTPDP) and are crucial to the attainment of urgent development goals." The programmed funds for capital outlay next year amount to P93.02 billion.

Despite the enormity of the capital outlay, the National Government will shoulder only P27.522 billion as most of the financial component is in the form of foreign loans

and grants. All projects of government corporations will also be financed directly by their internal incomes.

The list, however, will be further refined this week in time for the presentation of the CPIP to President Ramos next week, a NEDA official said.

"We still have to fine-tune our criteria," he said. "They seem to be overly stringent." This early, many department heads and local politicians are reportedly lobbying for the inclusion of their pet projects.

Based on the initial listing, 331 projects worth P37.012 billion are ongoing and are within the timetable. There are 23 new social-oriented, foreign-assisted projects worth P792.697 million; energy related projects, P18.868 billion; and 35 locally funded projects which are aimed at the health, nutrition and population, education, housing, social welfare, and disaster mitigation sub-sectors, P3.096 billion.

Based on the rationale of the CPIP, the department secretaries and the Department of Budget and Management [DBM] will forge a "performance contract."

Under the contract, "the department secretaries involved are bound to implement their agency's projects. In turn, DBM is committed to provide the necessary instruments—from the release of the advice of allotment, notice of cash allocation to actual cash disbursements.... Any deviation from planned CPIP projects will have to be explained to the president and the NEDA Board members," the memorandum spelled out.

Thailand

Prime Minister, Officials on Impact of GATT

BK1612150793 Bangkok Army Television Channel 5 in Thai 1200 GMT 16 Dec 93

[Text] According to Commerce Minister Uthai Phimchaichon, the success of the GATT Uruguay Round negotiations and expected endorsement by the member countries will benefit Thailand's foreign trade by more than 10 billion baht. On the impact, Uthai said Thailand's economic relations with the United States will improve. Government agricultural subsidies by producing countries must be reduced. The resulting decrease in production will enhance Thailand's export opportunities. He said the world sugar price will increase by 550 baht a ton. Japan and Korea, which have never imported rice, will have to open their markets. The tax on industrial goods will be cut by 30 percent. Thailand will be able to expand its exports. Greater competition in the service sector will benefit Thai investors and industries. Uthai said the successful GATT accord will result in a lower tapioca price in the world market, but this should not greatly affect Thailand because Thailand is negotiating with the European Union to cut duties and with Korea to import more Thai tapioca.

Meanwhile, the prime minister said the GATT accord will have both negative and positive effects on Thailand, and noted that the government has prepared accordingly. He said Thailand must make better preparations to cope with the accord's impact. He said every country should ratify the accord. Although the developed countries will have a greater advantage, Thailand will benefit in the agriculture field. He said there will be greater competition in the financial and service sectors. The Finance Ministry has made preparations to cope with the accord.

[Begin Chuan Likphai recording] There will be stiff competition in the service sector; for example, from financial institutions. We will be at a disadvantage vis-a-vis developed countries. On the other hand, our lower production costs will give us the advantage in the agricultural sector once the developed countries reduce their government subsidies. [end recording]

Deputy Prime Minister Suphachai Phanitchaphak added that there will be an impact on Thailand's trade with the United States, particularly in films and cigarettes, where no conclusions were reached. Negotiations on these issues were postponed until next year in Morocco. He said the accord calls for a reduction in subsidized rice and sugar exports and the elimination of textile quotas within 10 years. The European Union will reduce its protectionism against tapioca. Negotiations on this product will follow.

Editorial Views Impact of GATT Accord

*BK1712092193 Bangkok THAI RAT in Thai 17 Dec 93
p 3*

[Editorial: "The GATT's Uruguay Round Concludes"]

[Text] The Uruguay Round of the General Agreement on Trade and Tariffs, GATT, finally concluded on 15 December after seven long years of negotiation. The United Nations considers the GATT to be the rules and tariffs system governing world trade. The conclusion of the negotiations appeared to please every party, although there are some reservations which must be resolved in the future.

For Thai people, they should be aware of what their country stands to gain or lose in the new world trade regulations. Simply said, the UN-conceived world trade regulations are aimed at achieving free trade and the free flow of capital and goods as well as eliminating trade protectionism.

No country, however, would willingly allow its interests to be jeopardized. This is why the negotiations took all seven years to complete. The GATT had 107 members when the negotiations began in 1986; now it has 115 members. The main obstacle in the negotiations was failure of the United States and the EC to compromise. A more compromising attitude by the two sides enabled the Uruguay Round to successfully conclude.

Frankly, the superpowers and the economically strong groups stand to gain the most from the conclusion of the Uruguay Round, due to their capital and production strengths and marketing experience. There are no obstacles to stop them from gaining access to inferior and poorer countries with the regulations requiring trade to be free and the removal of protectionist acts. The poorer countries virtually have no ability to penetrate the markets of wealthy countries.

As for Thailand, which is advancing its status to become an industrialized nation, there is no longer anyone who would classify it as a developing country. Being in the middle between the moderately rich and poor nations, Thailand stands to gain as well as lose in the new GATT accord. For example, it will be able to sell rice and other agricultural products to big and rich markets to which it previously had no access, such as Japan and South Korea. But we will suffer when forced to open our service sector.

Thailand should waste no time in studying the measures which the EC used to effectively protect itself from U.S. penetration of its banking, financial, civil aviation, insurance, maritime, and transport sectors. It is certain that we will face pressure to open our market to the U.S., European, Japanese, and other economically strong countries.

Vietnam

National Assembly Issues Communique No. 6

BK1612152193 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Dec 93

[Commmunique No. 6 issued by the Ninth National Assembly's fourth session in Hanoi on 16 December]

[Text] This morning, 16 December 1993, the National Assembly held a plenary session in the conference hall to continue debating the 1994 budget estimates. National Assembly Vice Chairman Nguyen Ha Phan directed the session.

A total of 11 National Assembly deputies expressed their views. They included Huynh Van Binh, from Dong Nai; Nguyen Don, from Quang Nam-Da Nang; Luong Xuan Tung, from Hanoi; Le Minh Chau, from Ho Chi Minh City; Nguyen Thi No, from Khanh Hoa; Ngo Thi My, from Lai Chau; Nguyen Thanh Cao, from Kon Tum; Phan Minh Thang, from Minh Hai; Lu Van Kiet, from Thanh Hoa; Cu Hoa Van, from Lao Cai; and Ca Le Thuan, from Ben Tre.

The National Assembly deputies continued analyzing a number of issues relating to the state budget that were raised by the National Assembly during its 15 December session. The deputies also focused on other issues. These included measures to increase the effectiveness of investment capital, to accelerate the pace of national economic development toward the goals of industrialization and

modernization; ways to mobilize capital sources and ensure the balanced use of funds and state budget allocations; the need to pay sufficient attention to building and developing the socioeconomic infrastructure in localities and regions; improving the operating procedures of financial and banking institutions to support efforts to renovate the national financial management system; and enhancing the supervisory role of the National Assembly to oversee implementation of the state budget.

In the afternoon, the deputies held group debates on allocating budgets to support the National Assembly's activities for 1994.

The National Assembly will continue its work at the conference hall tomorrow, 17 December 1993.

Official on Ho Chi Minh City Economic Situation

BK1512142793 Hanoi VNA in English 1409 GMT 15 Dec 93

[Text] Hanoi VNA Dec. 15—The economic picture has been brighter, but it is not all roses, said Vo Tran Chi, secretary of the Communist Party of Ho Chi Minh City, in an interview to the NHAN DAN daily today. He noted that the economy in Ho Chi Minh City in 1993 continued to be stabilized and developed with a quicker tempo compared with the previous year. The total social product increased by 13 per cent, the population's incomes increased by 11.5 per cent. Cultural and social activities have initially been changed to the better and political security and social order continued to be maintained. The city's industrial output value, he continued, increased by 15.3 per cent. Substantial progress was made in agricultural production. The herd of pig increased by 12 per cent while the herd of milk cow increased to 8,000 head from 7,000 head last year, daily

supplying tens of thousands of litres of fresh milk to the people. In 1993, the city spent 640 billion VND [Vietnamese Dong] repairing and upgrading bridges, roads, drainage system, irrigation works and electric supply networks on the outskirts. This helped change the image of the city and supported other socio-economic activities. Due to the all-sided development of production, the city's budget increased 35 per cent compared with the plan. One of the prominent achievements in 1993 was that the city joined the whole country in successfully checking and pushing back inflation. Nevertheless, Mr. Vo Tran Chi said, corruption, smuggling and illegal import of goods continued, causing great obstacles to the city's economic growth. In 1994-95, he continued, the city will strive to overcome all difficulties and weakness to push up its economic growth and continue gradually improving the people's living standard. To increase the gross domestic product by 14 per cent, and achieve the accumulation rate of 20 per cent and more, the city must have its economic structure changed considerably, Mr. Chi stressed. He pointed to the need for the city to develop agriculture, forestry and sea products processing, and consumer goods production to meet home consumption, in replacement of imported goods and to increase export.

He called on the city to further invest in modern technology, especially in the processing and production of goods for export, create still more favourable conditions to attract foreign investors, encourage all economic sectors to invest in renewing equipment and technology, thus shifting the city's economic structure towards industrialization and modernisation. Ho Chi Minh City will cooperate with the provinces in the Mekong River delta, the eastern part of the south, and the southern part of the central highlands to actively and effectively implement the policies and measures on the building of a key economic zone in the south, the centre of which is the city, Mr. Chi concluded.

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